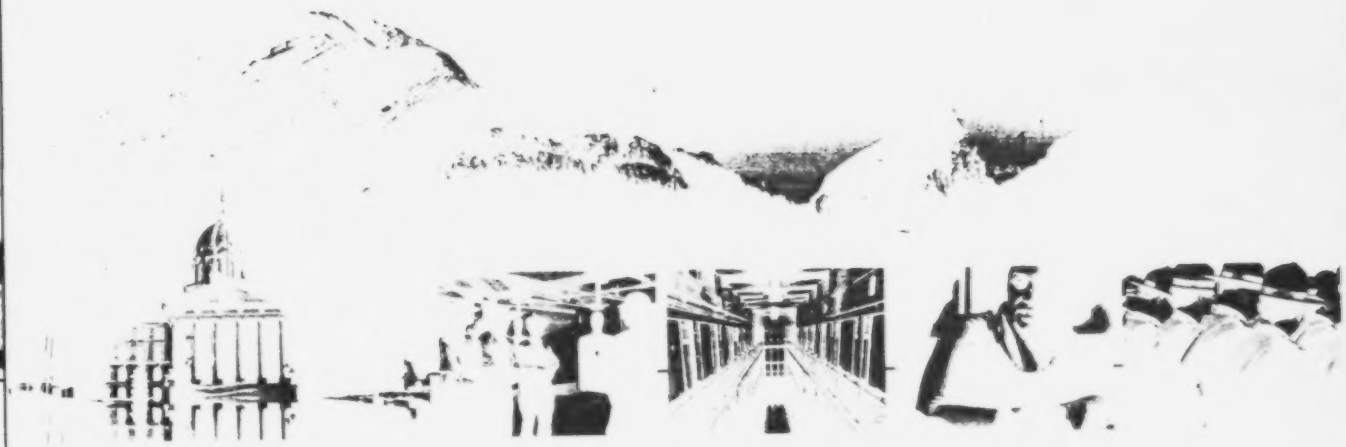
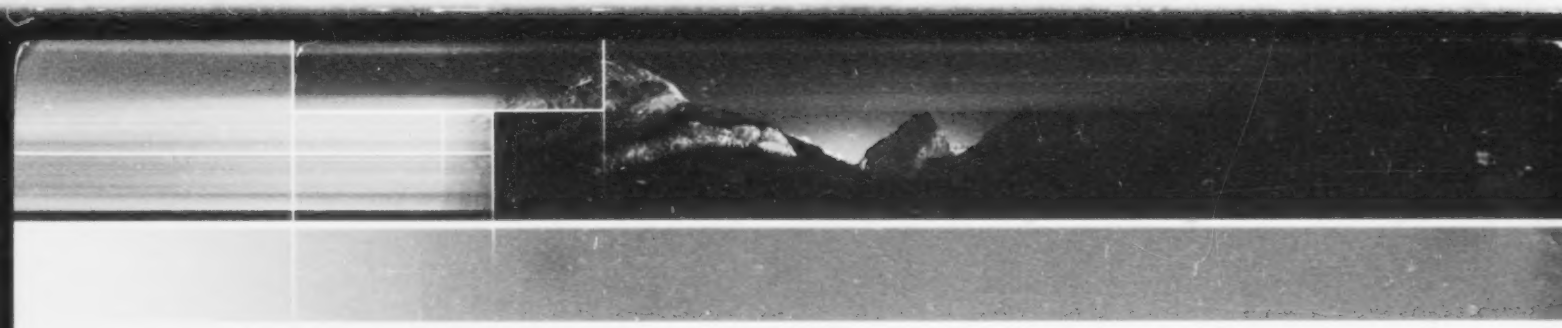


Alberta Solicitor General
Annual Report 2004-2005

Alberta Centennial

Alberta



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Our vision is to ensure Albertans have safe and secure communities in which to live, work and raise their families.

Our mission is to serve Albertans by ensuring safe and secure communities through effective policing, security and correctional services, and when crime is committed to assist victims of crime.

Public Accounts 2004-2005 - Preface

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Government Accountability Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 24 ministries.

The annual report of the Government of Alberta, released June 29, 2005, contains the Minister of Finance's accountability statement, the consolidated financial statements of the province and a comparison of the actual performance results to desired results set out in the government's business plan, including the *Measuring Up* report.

This annual report of the Ministry of Solicitor General contains the minister's accountability statement, the audited financial statements of the ministry and a comparison of actual performance results to desired results set out in the ministry business plan. The ministry annual report also includes:

- the financial statements of entities making up the ministry including the Department of Solicitor General and the Victims of Crime Regulated fund for which the minister is responsible; and,
- other financial information as required by the *Financial Administration Act* and the *Government Accountability Act*, either as separate reports or as a part of the financial statements, to the extent that the ministry has anything to report.

Minister's Accountability Statement

The ministry's annual report for the year ended March 31, 2005, was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at Sept 2, 2005, with material economic or fiscal implication of which I am aware have been considered in the preparation of this report.

Harvey Cenaiko
Solicitor General

A Message from the Minister

The past 100 years have taken law enforcement from traditional "cops 'n' robbers" to the new and unique challenges police officers deal with today: challenges such as the rapid expansion of organized crime and technological crimes, more illegal guns and gangs who don't hesitate to use them and the spread of highly addictive drugs that can be manufactured anywhere, anytime. Alberta's booming economy is the envy of every province, but a healthy economy also attracts criminal activity.

It is the responsibility of this ministry to ensure all Albertans have a safe place in which to live, work and raise families. Despite the attraction criminals have to Alberta, our province currently has the lowest crime rate in Western Canada and we are committed to keeping it that way.

Our ministry is taking an uncompromising stance against the rise in organized crime.

- IROC, the Integrated Response to Organized Crime is Alberta's investigation and enforcement unit. In August 2004 IROC announced its first arrest. Six individuals were charged in a drug trafficking and money-laundering scheme between Calgary and Barbados.

- CISA, the Criminal Intelligence Service Alberta, is the hub of a provincial intelligence network that collects, analyzes and shares information on organized crime and gangs.

- Marijuana grow-ops and methamphetamine production are major concerns in our communities. We are part of a cross-ministry working group that is developing a preventative steps strategy to educate and raise awareness among Albertans.

Alberta Solicitor General is working hard to protect society's vulnerable.

- We worked with law enforcement to develop a business plan for an Integrated Child Exploitation (ICE) unit to aggressively deal with child exploitation and victimization.

- We increased funding to Project KARE, a team of RCMP and Edmonton police assigned to investigate unsolved homicides and missing persons in high-risk lifestyles.

- Our ministry implemented SOIRA, the *National Sex Offender Information Registration Act* in December 2004. Police now have rapid, accurate access to vital information about convicted sex offenders and are able to monitor offenders across the country.

- We are also involved in the Bridges - Howard House Transitional Program to ensure male youth experiencing mental health or addictions problems have adequate services available to care for their needs and rehabilitation.

This past year we added $63.7 million in extra funding to bolster policing services in the province - a 56 per cent increase in spending on policing programs. A new policing grant of $16 per capita was introduced for municipalities that pay for policing. Also, municipalities with populations of 5,000 or less no longer have to pay for policing under a new funding arrangement. The previous population threshold was 2,500.

A revitalized crime prevention grants program to support safer communities was offered by the Alberta government to the province's community organizations and First Nations groups.

We are pleased to have had the opportunity to work with Inuk singer-songwriter Susan Aglukark. She visited nine Alberta Aboriginal communities to encourage youth to talk about issues of concern, how to reach out to others for help and ways for youth to develop self-esteem and confidence.

Police and community organizations helping victims of crime are receiving more financial support from the government than ever before. Grants are available for police-based victim service programs, community programs that support victims of crime throughout the criminal justice process and for other initiatives that benefit victims of crime.

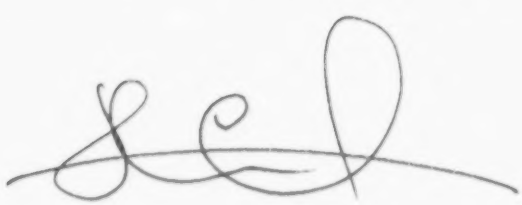
Alberta's correctional facilities and staff continue to be leaders in the country.

- A smoking ban was successfully implemented in adult correctional centres across Alberta for the health and well-being of our correctional staff and inmates.

- We began enhancing courthouse security and piloted courtroom videoconferencing across the province. Videoconferencing services allow prisoners to make routine court appearances from correctional facilities.

The face of law enforcement has indeed changed over the past 100 years. What started as the town officer enforcing laws and holding criminals in a single jail cell has evolved into a comprehensive system of policing, correctional services and victim advocacy. Alberta Solicitor General has a mandate to ensure the safety and well being of our communities and that's what we intend to do for generations to come.

I have only touched on the highlights of the past year. The report will provide you with details on all our programs and initiatives. Alberta Solicitor General is pleased to present the annual report for 2004 - 05.



Harvey Cenaiko
Solicitor General

Management's Responsibility for Reporting

The executives of the individual entities within the ministry have the primary responsibility and accountability for the respective entities. Collectively, the executives ensure the ministry complies with all relevant legislation, regulations and policies.

Ministry business plans, annual reports, performance results and the supporting management information are integral to the government's fiscal and business plans, annual report, quarterly reports and other financial and performance reporting.

Responsibility for the integrity and objectivity of the consolidated financial statements and performance results for the ministry rests with the Solicitor General. Under the direction of the minister, I oversee the preparation of the ministry's annual report, including consolidated financial statements and performance results. The consolidated financial statements and the performance results, of necessity, include amounts that are based on estimates and judgements. The consolidated financial statements are prepared in accordance with the government's stated accounting policies.

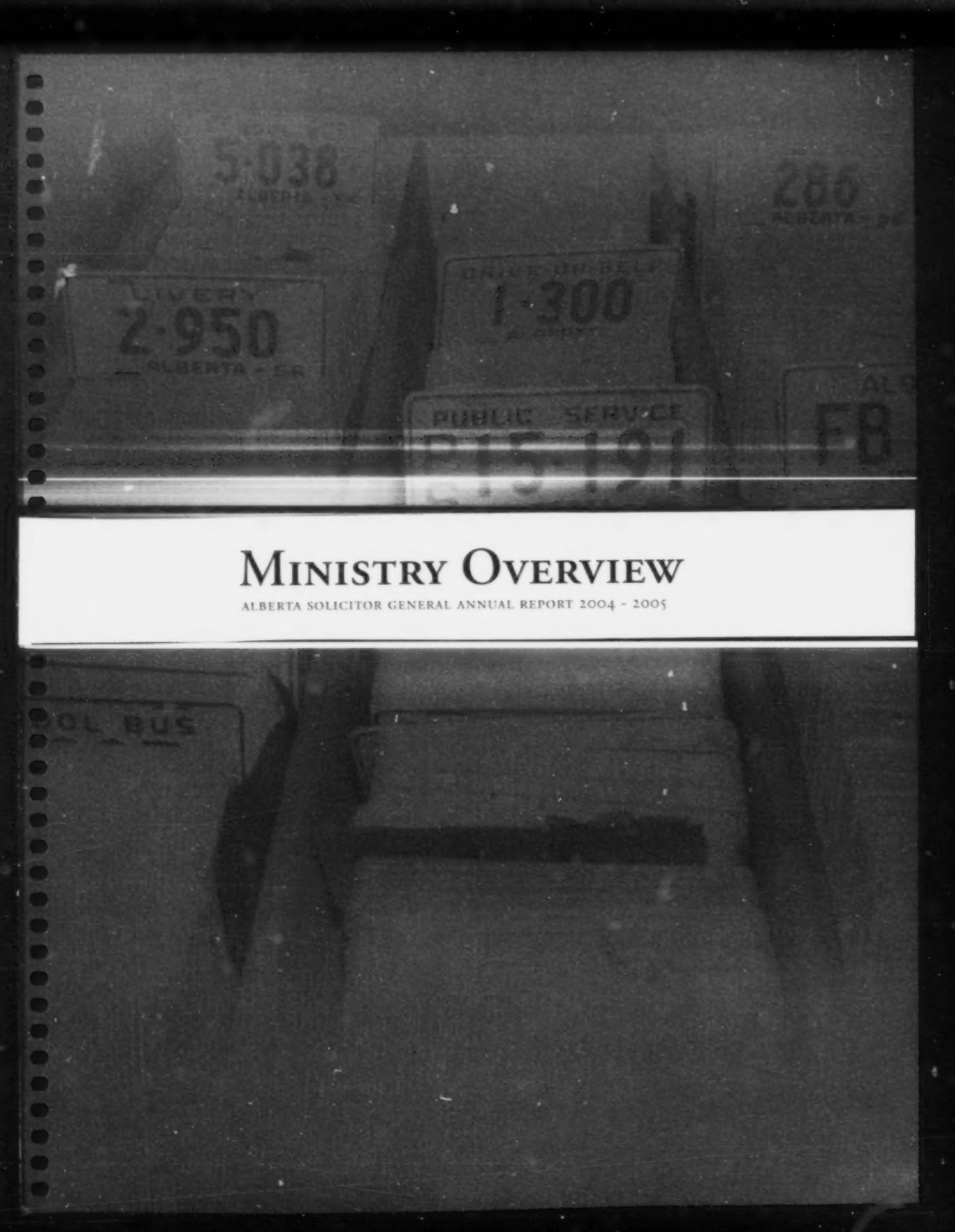
As Deputy Solicitor General, in addition to program responsibilities, I establish and maintain the ministry's financial administration and reporting functions. The ministry maintains systems of financial management and internal control that give consideration to costs, benefits, and risks that are designed to:

- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money;
- provide information to manage and report on performance;
- safeguard the assets and properties of the province under ministry administration;
- provide Executive Council, Treasury Board, the Minister of Finance and the Solicitor General any information needed to fulfill their responsibilities; and,
- facilitate preparation of ministry business plans and annual reports as required under the *Government Accountability Act*.

In fulfilling my responsibilities for the ministry, I have relied, as necessary, on the executives of the individual entities within the ministry.

Eric J. McGhan
Deputy Solicitor General

Sept. 2, 2005



Ministry Overview

ALBERTA SOLICITOR GENERAL ANNUAL REPORT 2004 - 2005

Ministry Overview

Solicitor General

Criminal Injuries Review Board

Law Enforcement Review Board

Victims of Crime Programs Committee

Deputy Solicitor General

Aboriginal Justice Initiatives Unit

Communications

Correctional Services

- Adult Centre Operations
- Community Corrections & Release Programs
- Young Offender Branch
- Division Support Services

Public Security

- Policing Services, Standards and Evaluation
- Security Services
- Victims Services
- Division Support Services

Strategic Human Resource Services

Strategic Services

- Strategic Management Services
- Strategic Business Services
- Claims and Recoveries

Financial Services

Boards, Agencies and Committees

Law Enforcement Review Board

The Law Enforcement Review Board is an independent, quasi-judicial body established under the *Police Act*. The principal activity of the board is to hear appeals from citizens who have filed a complaint regarding the actions of a police officer and who are not satisfied with the disposition of their complaint. Police officers who have been the subject of discipline arising out of a complaint may also appeal to the board. The board also conducts hearings on appeals from private investigators or security guards who have had their licences refused, and from special constables regarding the cancellation of their appointments. The board has a minimum of three members who are appointed by the Lieutenant Governor in Council, with the chairman being an active member of the Law Society of Alberta.

D. Shelley, Q.C. - Chair

Phone: 780.422.9376
Fax: 780.422.4782

Criminal Injuries Review Board

The Criminal Injuries Review Board hears requests for reviews concerning the financial benefits paid to victims of crime under the *Victims of Crime Act*. The board may request persons with specialized knowledge to assist with the review and has the power to confirm or vary the decision made by the director. The board has six members, each appointed by Order in Council. One member of the board must be a physician.

Dr. P.B.R. Allen, B.Sc, M.D. - Chair

Phone: 780.427.7330
Fax: 780.427.7347

Victims of Crime Programs Committee

The Victims of Crime Programs Committee is appointed by the minister to make recommendations on grant applications, and to provide information with respect to programs and services that assist victims. The committee consists of four members representing government, police, and the community at large.

R. Smedstad - Chair

Phone: 780.427.3460
Fax: 780.422.4213

ABORIGINAL JUSTICE INITIATIVES UNIT

The Aboriginal Justice Initiatives Unit (AJIU) provides support and strategic advice on Aboriginal justice issues to the deputy ministers and executive committees of Alberta Solicitor General and Alberta Justice. This includes work on the cross-ministry Aboriginal Policy Initiative, and the Alberta government's goal to improve the well-being and self-reliance of Aboriginal people, and clarify federal and provincial roles and responsibilities.

The AJIU liaises with First Nations, Métis authorities, and other key stakeholders, to encourage Aboriginal justice initiatives that promote safe communities, good relations between neighbours, and a better understanding of the justice system.

B. Shoush - Director

Phone: 780 422.2779
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E-mail: bronwyn.shoush@gov.ab.ca

COMMUNICATIONS BRANCH

Assigned from the Public Affairs Bureau, the Communications Branch provides advice to the department and the minister on strategic communications, issues management and public relations.

A. Bidniak - Director

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CORRECTIONAL SERVICES DIVISION

The Correctional Services Division administers the *Corrections Act*. The division is responsible for ensuring that correctional services are operated efficiently, and are appropriate to the current and anticipated needs of the courts, and that they protect the community, hold offenders accountable through custody and supervision and work services, and provide offender rehabilitation opportunities.

Correctional Services Division administers pre-trial supervision, and community (e.g., probation) and custody sentences through a variety of community and custodial supervision programs for adult and young offenders. It can also supervise alternative sanctions that meet strict eligibility criteria, including adult alternative measures and young offender extrajudicial sanctions, including those administered by adult and youth justice committees.

Correctional facilities incarcerate offenders remanded into custody or sentenced to periods of custody up to two years less one day. During 2004-05, Correctional Services Division directly managed eight adult correctional centres and two attendance centres, and contracted with an Aboriginal organization for the operation of one adult centre. In 2004-05, Alberta correctional centres had seven satellite minimum-security camps, two of which were managed by Aboriginal organizations.

The division also managed four young offender centres, two young offender attendance centres and one work camp. An additional camp program and four open custody group homes were operated by non-profit organizations under contract.

A. Galet - Assistant Deputy Minister

Phone: 780 427.3441
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E-mail: arnold.galet@gov.ab.ca

Public Security Division

The Public Security Division administers the *Police Act*, the *Private Investigators and Security Guards Act* and the *Victims of Crime Act*. The division is responsible for police oversight and setting policing standards, the promotion of community-based crime prevention initiatives, and provision of financial benefits to victims of crime and victims' programs. The division also administers the Special Constable Program, provides municipal policing grants, provides support for Aboriginal policing initiatives, and implements the ministry's Serious and Violent Crime Strategy as well as other specialized policing programs.

The division is directly responsible for the administration and monitoring of the Provincial Police Service Agreement with Canada for the RCMP provincial police service.

With respect to security services, the Public Security Division oversees court and prisoner security, legislature and executive security services, security consultation for provincial government buildings and maintains a 24-hour security control centre at Government Centre. The division also manages counter-terrorism security information and develops threat assessments.

B. Skeet - Assistant Deputy Minister

Phone: 780 427.3457
Fax: 780 427.1194
E-Mail: brian.skeet@gov.ab.ca

Human Resources Branch

The Human Resources Branch provides strategic direction and consultation in the areas of employee/labour relations, staffing, classification, organizational design and change, job evaluation, performance planning, training and development, employee programs, leadership capacity, Occupational Health and Safety, and health and wellness initiatives.

The branch supports the achievement of cross-government and corporate human resource plans and strategies.

B. Fulgham - Executive Director

Phone: 780 427.9617
Fax: 780 422.9639
E-mail: brigitte.fulgham@gov.ab.ca

Strategic Services Division

Strategic Services Division provides strategic information, tools and processes to achieve the department's goals and enhance its effectiveness. The division's services include professional services and strategic advice on matters related to cross-government initiatives, business planning and performance measurement, information technology management and strategy, *Freedom of Information and Protection of Privacy* administration and business continuity planning. The division also provides these strategic services to Alberta Justice.

D. Mercer – Assistant Deputy Minister

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Fax: 780 422.9639
E-Mail: dan.mercer@gov.ab.ca

Financial Services Branch

The Financial Services Branch provides strategic leadership and advice in the areas of financial and capital planning, accounting and reporting, payroll and benefits, and financial accountability and advisory services.

J. Bauer - Senior Financial Officer

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Operational Overview

Alberta Solicitor General had four core business functions in 2004-05:

- *Policing and Crime Prevention:* Ensuring safe communities in Alberta by ensuring adequate and effective policing and developing and promoting crime prevention programs.
- *Victims Programs and Services:* Ensuring victims are treated with dignity and respect and that they receive information about programs and services, assistance during the criminal justice process, and that eligible victims promptly receive financial benefits.
- *Custody, Supervision and Rehabilitative Opportunities for Offenders:* Ensuring effective and efficient security and supervision of offenders that enhances public safety while offering offenders opportunities to become law-abiding citizens.
- *Security Services:* Ensuring safe communities in Alberta by providing security services to government officials, personnel, the judiciary and members of the public attending government functions and facilities. Maintaining the capability to anticipate and respond to changes in threat levels.

Safe communities are a shared responsibility. We work to develop and enhance partnerships necessary to achieve results in each of these core business functions. Additionally, we strive to improve public knowledge and understanding about policing, crime prevention, victims services and corrections through education and communication strategies.

Key Factors Influencing Performance

Conducting surveys and research identifies new challenges and trends and reveals changes to the social landscape in Alberta. Awareness of these changes helps the province to understand how these societal shifts may impact policing, corrections and public security in Alberta. Alberta continues to modify its policies and programs in response to international, national, provincial and local influences. Some of these influences and trends that relate to policing, corrections and public security are discussed below.

Following an increase in 2003, the national police-reported crime rate fell slightly (-1 per cent) in 2004. Although the incidence of most crimes declined in 2004, noticeable increases were seen in homicides and drug incidents. In Alberta, the violent and property crime rates fell 1.3 per cent. Alberta's crime rate remained the lowest among the western provinces for the 12th consecutive year.

Public Safety and Emergency Preparedness Canada indicates that reports of identity theft in Canada increased almost 100 per cent from 7,629 in 2002, to 14,526 in 2003. In an attempt to address this growing problem, the Federal/Provincial/Territorial Council on Identity Theft is in the process of drafting an identity policy framework. Businesses are faced with the increasingly difficult task of maintaining personal data in a secure manner, and updating their customers on how to use and protect personal data safely.

There is increased public expectation for enhanced accountability of police to civilian oversight bodies. This applies to issues of police conduct and to the establishment of priorities and the setting of policies and standards governing police.

The significant representation of Alberta's Aboriginal population at all stages of the criminal justice system presents unique challenges. While Aboriginal people represent only seven per cent of Alberta's population, they represent approximately one-third of the provincial youth and adult custody population.

Family violence continues to be a concern for the ministry. The Federal/Provincial/Territorial Ministers Responsible for the Status of Women reported in 2002 that while Alberta's rates of spousal assault against women have declined since 1993, the province continues to have the highest rates in the country at 11 per cent, compared to 8 per cent for Canada as a whole. To help address family violence, Alberta Solicitor General chairs the Family Violence Police Advisory Committee and has developed a two-day family violence training session, with the intention of delivering the session to police and community agencies across Alberta approximately four times per year. Alberta Solicitor General is also involved in a collaborative effort with the RCMP to provide mandatory training in the area of family violence to all RCMP members. As well, a new Alberta Justice Coordinator for Family Violence Initiatives has been appointed to provide leadership in combating this complex problem.

Road safety continues to be a concern for Alberta Solicitor General. The McDermid Report identified several strategies to improve road safety in Alberta. Government and policing organizations are also working collaboratively to combat the rise in illicit drug-related problems. Problems associated with substance abuse, production of illicit drugs, and drug trafficking cause significant harm to individuals, families, and communities. Illicit drug use has been identified as the precipitating factor for a variety of other types of offences.

The rapidly-rising remand population has placed significant strain on the capacity of correctional facilities. This has significant potential financial, operational and community safety implications. Youth custody and adult sentencing trends have also created the need to re-profile some correctional programs to better meet the public safety needs of Albertans.

There is increasing public momentum and endorsement for crime prevention programming on both a provincial and national level. Alberta Solicitor General is renewing its Crime Prevention Strategy to centre on both conventional crime prevention, which focuses on reducing opportunity and making criminal acts more difficult to commit, and crime prevention through social development, which recognizes the complex social, economic, and cultural processes that contribute to crime and victimization. The ministry is also renewing its Community Justice Policy to support community-based restorative justice processes that provide victims with a more meaningful role in the justice system and provide a greater opportunity for offenders to be held appropriately accountable for their actions.

Since September 11, 2001, there has been an increased awareness of terrorist attacks around the world. It is important that the federal and provincial governments, industry and municipalities not become complacent to the threats posed by terrorism. They must ensure that appropriate counter-terrorism and emergency measures plans are developed, practiced and maintained to protect against loss of life and destruction of property.

Alberta Solicitor General works toward implementing strategies that assist the Government of Alberta in preserving the quality of life in this province, which ensures that Alberta remains the best place to live, work and visit.

Highlights – Performance at a Glance

Core Business 1 – Policing and Crime Prevention

Goal 1 - Ensure safe communities in Alberta

Measure	Target	Result
Public perception of safety in the home (pg 26)	75%	72% of Albertans feel "not at all worried" about their safety from crime when alone in their own homes.
Public perception of safety in the neighbourhood (pg 27)	82%	77% of Albertans feel "reasonably safe" to "very safe" walking alone in their area after dark.
Victimization rate (pg 28)	25%	26% of Albertans reported that they were victims of crime in the past year.
Crime rate: violent crime and property crime (pg 29)	Lowest rates of the four western provinces	In 2004, Alberta's violent crime rate was 1,087 per 100,000 population and Alberta's property crime rate was 5,064 per 100,000 population. Alberta had the lowest violent and property crime rates of the four western provinces.

Core Business 2 – Victims Programs and Services

Goal 2 - Provide services to victims and ensure they have a more meaningful role in the criminal justice system

Measure	Target	Result
Satisfaction with services provided to applicants for victim financial benefits (pg 32)	4.00	Respondents indicated by an overall score of 4.01 out of 5 that they were satisfied with the various services they received.
Access to victim service units (pg 33)	95%	98% of Alberta police services or RCMP detachments have, or have access to, a victim service unit.

Core Business 3 – Custody, Supervision and Rehabilitative Opportunities for Offenders

Goal 3 - Facilitate the rehabilitation of offenders

Measure	Target	Result
Outcome of correctional sanctions: successful completion of young offender probation dispositions (pg 36)	62%	55% of young offender probation dispositions were successfully completed.
Outcome of correctional sanctions: successful completion of adult offender probation dispositions (pg 37)	65%	60% of adult probation dispositions were successfully completed.
Percent of offenders involved in work, education, treatment or life management programs (pg 39)	80%	88% of offenders were involved in work, education, treatment or life management programs.
Number of hours of community service (pg 40)	825,000	In 2004-05, offenders completed a total of 786,452 hours of community service work.

Goal 4 - Ensure secure and efficient custody, community supervision and transportation of offenders

Measure	Target	Result
Successful completion of temporary absence supervision (pg 43)	No lower than 99%	99.7% of offenders successfully completed their temporary absence supervision.
Per diem cost of housing adult offenders in a correctional facility (pg 44)	To be one of the four jurisdictions with the lowest cost per diem per offender in Canada	The per diem cost of housing an adult offender in a provincial correctional facility was $101.51. This is the second lowest cost per diem per offender in Canada.
Number of escape incidents from secure custody or during transport (pg 45)	0	In 2004-05, there were no escape incidents from secure custody or transport.

Core Business 4 – Security Services

Goal 5 - Ensure the safety of Albertans by providing government security services and crisis management planning

Measure	Target	Result
Stakeholder satisfaction with services of the Security and Information Management unit (SIM) (pg 48)	New measure	89% of clients were "very" or "somewhat" satisfied with the information and services they received from the SIM unit.

Summary of Key Activities

Victims of Crime

- In 2004-05, police-based and community victims assistance programs received more funds to support their services to victims of crime. Overall annual funding for approved grant applications increased from $2 million to $3.2 million in 2004-05.
- There are currently 75 police-based victims programs in the province working in association with local RCMP detachments or police services. These programs are operated by local non-profit associations and assisted by a core of trained volunteers. The increased funding means that the minimum base grant to these units increased from $2,000 to $8,000 per year and the maximum allowable grant increased from $75,000 to $100,000.
- The Financial Benefits program continues to experience considerable growth in applications. In 2004-05, there were 1,831 new applications received. One thousand five hundred fifty three applications were concluded with awards of $8.4 million granted on 1,106 of them.

Crime Prevention

- In 2004-05, a revitalized crime prevention grant program to support safer communities and prevent crime was offered by the Alberta government to Alberta community organizations and First Nations groups. The program was reinstated in 2004-05 after it was discontinued in 2001-02.
- A maximum grant amount of $20,000 was made available for use in any part of a crime prevention initiative by non-profit organizations, societies, associations, community-based coalitions and networks, and Aboriginal communities including Bands and Tribal Councils.
- Investing time and resources into crime prevention and safer communities greatly benefits Albertans. When communities work together and create unique crime prevention initiatives, those communities become safer places to live, work and raise families.

Enhanced Police Accountability

- In 2004-05, plans were developed to implement the MLA Policing Review Committee Report recommendations.
- Consultations were held with various stakeholders to determine legislation changes needed to enhance police accountability.
- Bill 36, the *Police Amendment Act* was drafted and introduced in the legislature.
- A funding formula of $16 per capita was implemented to provide provincial support for both policing and policing oversight.

Project KARE

- In October 2003, the RCMP assembled Project KARE, a team of 43 skilled investigators and analysts, assigned to investigate unsolved homicides and high risk missing persons in Alberta including 41 homicides throughout this province going back to the 1930s.
- Alberta Solicitor General provided $2.9 million in funding to Project KARE in 2004-05.

Youth Justice Committees

- In 2004-2005, the Alberta government provided $325,000 in assistance to 109 youth justice committees across the province.
- It was recommended in the Government MLA Corrections Review of 2002 that Alberta's Solicitor General continue support for youth justice committees and expansion of the program.
- Youth justice committees are an essential part of the youth justice system. With their help, Alberta has reduced its reliance on youth custody, while still maintaining the second-lowest youth crime rate in Western Canada.
- Youth justice committees give young offenders a chance to learn from their mistakes through an alternative to the formal court process. Young offenders who complete the extrajudicial sanctions program administered by the majority of youth justice committees will not receive a young offender record for the offence that led to their participation in the program.
- Extrajudicial sanctions can include community service, education programs, written or personal apologies to victims and essays. The alternative is open to youth who have committed a first or second offence and accepted responsibility for the crime. Youth charged with serious or violent crimes or with a history of repeat offences are not eligible.

Special Needs Policing

- Two communities were identified as having both high need and reduced ability to pay for additional policing – the Town of St. Paul and the City of Wetaskiwin.
- A Special Needs Policing Agreement was signed with both municipalities and the RCMP, to provide St. Paul and Wetaskiwin with additional members at no cost over a three to five year period.
- The department is working with the municipalities and community members, to assist them in completing a needs assessment and crime prevention plan that will address the challenges and issues in their respective communities.

Correctional Services

- In 2004-05, Alberta Solicitor General admitted 28,485 offenders to remand and provincial correctional facilities. During that period, while maintaining the second-lowest per diem cost in the country for housing adult offenders in correctional facilities, there were no escapes and no significant disturbances. Additionally, 99.7 per cent of offenders who were released temporarily from a correctional facility for work, education or on a compassionate leave program did not re-offend during the period of temporary absence.

The National Sex Offender Registry

- The *Sex Offender Information Registration Act* (SOIRA) was proclaimed on December 15, 2004, requiring that certain information about sex offenders be registered in a national database. It is intended to serve as a tool that will help police investigate crimes of a sexual nature by providing them with access to current and reliable information relating to sex offenders. There is no public access to the sex offender registry.
- The database is part of the automated criminal conviction records retrieval system maintained by the RCMP.
- An important element in the implementation of SOIRA in Alberta is the Sex Offender Registry Centre Alberta or SORCA—the central coordinating agency for the flow of documentation and the site where information is entered onto the National Sex Offender Registry database.
- In Alberta, a provincial implementation team representing the province's police, court services, Crown prosecutors, corrections, and Public Security Division, worked diligently over very short time lines to ensure all key elements were in place for proclamation.

Summary of Key Activities

Fifth Season: Healing Season Project

- Alberta Solicitor General, in conjunction with the RCMP "K" Division and the Saddle Lake Boys and Girls Club, partnered to deliver a mentoring project entitled "Fifth Season: Healing Season" in nine Aboriginal communities across the province including the Blood Tribe, Calling Lake, Chipewyan Prairie First Nation, Dene Tha' First Nation, Fort McKay First Nation, the four Nations at Hobbema (Ermineskin Tribe, Louis Bull Tribe, Montana Cree Nation and Samson Cree Nation), Peerless Lake, Saddle Lake First Nation and the Stoney (Bearspaw) Band at Eden Valley.
- Facilitated by Inuk singer/songwriter and Aboriginal role model Susan Aglukark, the project involved interactive workshops with Aboriginal youth within each community on issues such as self-esteem, goal-setting and overcoming issues such as alcohol and drug abuse.
- In total over 450 Aboriginal youth and 3,500 community members participated in the project.

Eden Valley Prescription Drug Abuse Pilot Project

- In 2004-05, Alberta Solicitor General, along with a number of provincial, federal, regional and agency partners, worked with the Stoney (Bearspaw) Band at Eden Valley on a community and youth development approach to address prescription drug abuse, suicide prevention as well as interpersonal and family violence in the community. The pilot project was developed in response to a direct request for assistance from the leadership of the community.
- The project focuses on relationship building with the community, promoting safe communities and respect for the law as well as developing a support network for the community.
- The ministry continues to provide assistance to the community of Eden Valley in the development of a Safe Communities Action Plan and continues to work with other partners on providing assistance to the community.

Alberta Public Safety Network (APSNet)

- In 2004-05, Alberta Solicitor General continued to support the Alberta Public Safety Network, a project proposed by the Alberta Association of Chiefs of Police. The Alberta Public Safety Network, (APSNet) is part of a trend known as integrated justice where all parts of the justice system work in coordination.
- APSNet is a communications system designed to enhance the effectiveness of policing and heighten the level of public safety by allowing all police in Alberta to share case information and intelligence.
- The system being developed by the Criminal Intelligence Service of Alberta will be integrated with the RCMP's new records management system for even better sharing of information.

Results Analysis

ALBERTA SOLICITOR GENERAL ANNUAL REPORT 2004 - 2005

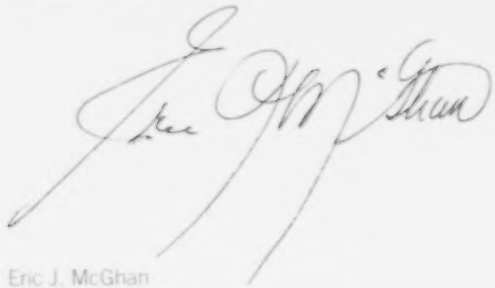
Deputy Minister's Message

We have reached the end of another year and, as the 2004-05 annual report shows, it has been a year of great activity and progress.

Our job at Alberta Solicitor General is to ensure that Albertans have safe and secure communities in which to live, work and raise families. We do that by providing effective policing, security and correctional services and by assisting victims when a crime is committed. The ministry provides effective policing programs and promotes crime prevention activities. The ministry's victims services treat victims with dignity and respect, and offer information and assistance during police investigations and court proceedings. Alberta Solicitor General maintains effective and efficient correctional programs while helping offenders return to the community better able to contribute to society in a positive way.

In addition to our important operational work, Alberta Solicitor General has also undertaken a number of important strategies to enhance safety in our communities. In 2004-05, with the support of skilled and dedicated staff, the ministry worked with partners to launch new initiatives to improve community safety and security. Implementing policing strategies, including new funding for policing; developing an integrated response to organized crime and gangs; enhancing crime prevention programs, restorative justice programs, and youth justice committees; and developing an integrated provincewide response to family violence are but a few examples.

As our annual report indicates, we have achieved most of our performance targets, while some work remains to be done on a few. I know that through the dedication, creativity and professionalism of our staff and partners we will continue to improve our programs and services in helping Albertans feel safe and secure in their homes and communities.



Eric J. McGhan
Deputy Solicitor General

REPORT OF THE AUDITOR GENERAL ON THE RESULTS OF APPLYING SPECIFIED AUDITING PROCEDURES TO KEY PERFORMANCE MEASURES

AUDITOR GENERAL *Alberta*

To the Members of the Legislative Assembly

In connection with the Ministry of Solicitor General's key performance measures included in the *2004-2005 Annual Report of the Ministry of Solicitor General*, I have

1. Agreed information from and external organization to reports from the organization.
2. Agreed information from reports that originated from organizations included in the consolidated financial staements of the Ministry to source reports. In addition, I tested the procedures used to compile the underlying data into the source reports.
3. Checked that the presentation of results is consistent with the stated methodology.
4. Checked that the results presented are comparable to stated targets, and information presented in prior years.
5. Checked that the key performance measures, as well as targets, agree to and include results for all of the measures presented in Budget 2004.

As a result of applying the above procedures, I found no exceptions. These procedures, however, do not constitute an audit and therefore I express no opinion on the key performance measures included in the *2004-2005 Annual Report of the Ministry of Solicitor General*.

Fred J. Dunn FCA
Auditor General

Edmonton, Alberta
August 12, 2005

G1 Goals, Strategic Accomplishments and Measures

Core Business 1 – Policing and Crime Prevention

Goal One – Ensure Safe Communities in Alberta

Albertans tell us they want peaceful communities where they can live, work and raise families in safety and security without fear of crime or victimization. While each goal is important, virtually everything Alberta Solicitor General does is tested against the goal of safe communities.

The following section highlights the ministry's accomplishments related to the strategies identified under goal one in the 2004-07 business plan.

Strategic Accomplishments

In 1873, the North West Mounted Police (NWMP) was formed. In 1874, the first NWMP outpost was established in Fort Macleod, named after Colonel James F. Macleod commissioner of the NWMP and later judge of the Supreme Court of the North West Territories. In 1875, construction began on another NWMP outpost in Fort Saskatchewan for policing in central and northern Alberta.

Strategy 1.1
Implement a Policing Strategy incorporating the approved recommendations of the MLA Policing Review Committee Report that:

- Enhances provincial leadership in policing.
- Promotes citizen oversight of policing in Alberta.
- Provides sustainable funding for policing.
- Restructures responsibility for policing.

- Amendments to the *Police Act* were introduced that will enhance provincial leadership and promote citizen oversight of policing. The department is in the process of developing a training program for police commissions as well as developing model policies for police commissions to enhance their police governance role.
- A funding formula was implemented to promote equitable policing throughout the province and to enhance oversight of police.

Strategy 1.2
Support the development and implementation of an Integrated Response to Organized Crime (IROC) and gangs, working with law enforcement agencies and other government ministries.

- Approximately $5 million was allocated to support the ongoing operation of the IROC unit.

Strategy 1.3
Implement a strategy to enhance the effectiveness and efficiency of First Nations Policing in cooperation with First Nations communities and the federal government.

- New Tripartite Policing Agreements were implemented for the five First Nations Police Services. As well, new Community Tripartite Agreements (CTAs), with the RCMP as the service provider, were finalized with the Duncan's First Nation, Sturgeon Lake First Nation and Bigstone Cree First Nation.

Strategy 1.4
Prepare a strategy with law enforcement agencies and other government ministries to address the exploitation of children via the Internet.

- The department participated on the Alberta Children and Youth Initiative Sub-Committee for the Prevention of Child Sexual Exploitation. Through work on this sub-committee a cross-government strategy was developed and continues to be implemented covering such areas as education, awareness, protection and enforcement.

Strategy 1.5
Work in partnership with crime prevention associations and Aboriginal communities to assist in the delivery of crime prevention programs and initiatives across Alberta.

- Community approaches to prevent and respond to crime received a significant increase in support. Crime prevention and restorative justice grant funding programs available to community agencies and First Nations were reintroduced. As well, enhanced funding was allocated to provincial-based non-profit associations via existing service agreements. Increased communication and collaboration with First Nations occurred through multiple community visits.

Strategy 1.6
Reinstate crime prevention and restorative justice program funding to support the Provincial Crime Prevention Strategy and the Community Justice Policy.

- One million dollars in new provincial funding was allocated to reinstate the Alberta Community Crime Prevention and the Alberta Community Restorative Justice Grant Programs. The programs are designed to directly support grassroots strategies promoting community safety.

Strategy 1.7
Further the development of the youth justice committee program, involving interested communities in the administration of justice programs and encouraging local involvement in attempts to address crime, through the provision of financial grants and with the support and assistance of community probation offices.

- The number of sanctioned youth justice committees increased from 106 to 116 during the 2004-2005 year. Grants in the amount of $325,000 were provided to youth justice committees for volunteer coordination, training, and appreciation. Hundreds of certificates of appreciation were signed by the minister and given out to volunteers at annual meetings and volunteer appreciation events. In November 2004, the 4th Annual Youth Justice Committee Conference was held in Edmonton with 350 volunteers and liaison probation officers attending. Each youth justice committee is assigned a liaison probation officer who delivers training, assigns files, provides ongoing case management, and reviews youth justice committee agreements for compliance with policy. Regional and provincial training opportunities are also made available to youth justice committees.

Strategy 1.8
Work in partnership with Children's Services to develop an integrated provincewide response to family violence.

- Public Security Division actively participated on the Inter-Departmental Committee on Family Violence, which is chaired by Children's Services. In addition, the division participated on the *Protection Against Family Violence Act* (PAFVA) Legislative Sub-Committee, which is reviewing this legislation for amendments. In the Family Violence Policing Initiatives led by Alberta Solicitor General, we are ensuring that our programs are in line with the findings from the Round Table on Family Violence and are congruent with the Cross-Ministerial Action Plan.

In 1905, the Alberta Act established Alberta as a province. The new government under A.C. Rutherford moved quickly to establish a provincial justice system and a civil service to operate it to meet the province's new responsibilities and the needs of a burgeoning population. Between 1906 and 1911, for example, the population doubled

Goals, Strategic Accomplishments and Measures

Key Measure 1 – Public Perception of Safety in the Home

Performance Summary

The majority of Albertans surveyed are not at all worried about their safety from crime in their own homes. Those feeling somewhat less safe than others included victims of crime, those from households with annual incomes of less than $20,000 and women.

Key Measure
Public perception of safety in the home

The results of the *2004-05 Alberta Justice and Solicitor General Survey of Albertans* indicate that 72 per cent of respondents said that they feel not at all worried about their safety from crime when alone in their own homes. This is an increase from 71 per cent in 2004. This year's target was 75 per cent.

Discussion and Analysis

Safety in the home measures the public's perception of the ministry's success at achieving the goal of safe communities.

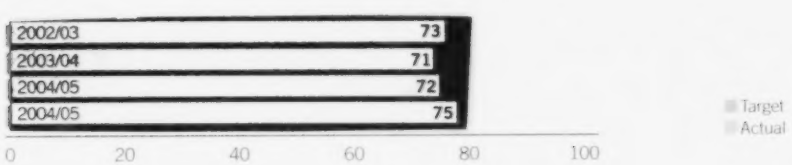
In 1908, the first *Alberta Gaols and Prisons Act* was passed. The legislation, which was not significantly revised until 1942, provided for the establishment of one or more gaols and identified the basic responsibilities of provincial "gaolers and turnkeys."

In the 2004-07 business plan and this annual report, public perception of safety in the home is reported as the percentage of Albertans who feel "not at all worried" about their safety from crime when alone in their own homes. This new measure addresses fear of crime more directly than the previous question used as a measure, which asked "how safe do you feel from crime when you are in your own home after dark?" It is also comparable with a question asked in the national *General Social Survey* conducted by Statistics Canada, which allows for more comparability of Alberta results with other Canadian jurisdictions.

Respondents were still asked the other question about how safe they felt from crime when alone in their own home after dark. The vast majority (91 per cent) said they feel very safe or reasonably safe in their own home.

Public Perception of Safety in the Home

The percentage of Albertans who feel "not at all worried" about their safety from crime when alone in their own home's.



Source: Research Innovations

For methodology related to this measure see page 52.

Key Measure 2 – Public Perception of Safety in the Neighbourhood

Performance Summary

Most Albertans surveyed feel comfortable walking alone at night in their neighbourhood. There were lower perceived safety levels among some respondents including women, those neither single nor married (e.g., divorced, widowed), younger (18 to 24) and older (65 or older) Albertans, those from households earning under $20,000 annually, victims of crime, and residents of Edmonton.

Key Measure	
Public perception of safety in the neighbourhood	The results of the *2004-05 Alberta Justice and Solicitor General Survey* indicate that 77 per cent of respondents said that they feel safe walking alone in their area after dark. 40 per cent indicated that they felt "very safe" and 37 per cent indicated that they felt "reasonably safe." This is a minimal (1 per cent) increase over 2003-04; however, it is below this year's target of 82 per cent.

Discussion and Analysis

Similar to safety in the home, safety in the neighbourhood measures the public's perception of the ministry's success at achieving our goal of safe communities.

In the Alberta Solicitor General 2004-07 business plan, public perception of safety in the neighbourhood is described as the percentage of Albertans who feel "reasonably safe" to "very safe" walking alone in their area after dark. This new question, which asks Albertans about their feelings of *safety*, is a better indicator of *Perception of Safety in the Neighbourhood* than the previously reported percentage of Albertans who felt comfortable walking alone at night in their neighbourhood. This question is also comparable with a question asked in the national *General Social Survey* conducted by Statistics Canada, which allows for more comparability of Alberta results with other Canadian jurisdictions

Although the 2004-05 result of 77 per cent does not meet this year's target, the 2005 result exceeds last year's result and is generally in line with the results of previous years.

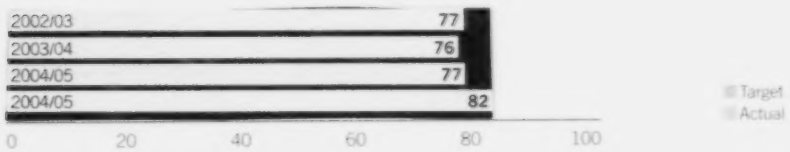
In addition, in 2004-05, 60 per cent of respondents indicated that they believe crime in their neighbourhood has decreased or remained the same. As well, 84 per cent feel that the amount of crime in the neighbourhood is about the same or lower than in other areas of the province.

Public perception of safety is strongly influenced by media coverage of crime and current events.

Harry A. Driggs, the first warden of the Fort Saskatchewan Gaol from 1914-1923, was responsible, through the use of both inmate and staff labour, for the expansion of the institution's female unit ("C" Block), which was completed in 1923, at a total cost of $3,078.68.

PUBLIC PERCEPTION OF SAFETY IN THE NEIGHBOURHOOD

The percentage of Albertans who feel "reasonably safe" to "very safe" walking alone in their area after dark.



Source: Research Innovations

For methodology related to this measure see page 52.

KEY MEASURE 3 – VICTIMIZATION RATE

Performance Summary

When asked how many times they had been victims of crime in the past year, 26 per cent of Albertans said they had been victims at least once in the past year. Young adults 18 to 24 years of age were the most likely to say they had been victims of crime in the past year. Adults 65 years of age or older were least likely to say they had been victims. Single people were more likely to have been victims than others.

KEY MEASURE	
Victimization rate	The results of the *2004-05 Alberta Justice and Solicitor General Survey of Albertans* indicated that 26 per cent of respondents perceived that they had been victims at least once in the past year. This slightly exceeds last year's result (25 per cent) and exceeds this year's target (25 per cent).

Discussion and Analysis

Victimization rate is a necessary partner to our crime rate measure because it captures both reported and unreported crime. One way to estimate the extent of unreported crime is through a victimization survey such as that conducted by Alberta Solicitor General. Victimization measures the perception that one has been a victim of crime, where crime rate measures police-reported incidents of crime.

In 2001-02, the victimization rate was 25 per cent and remained constant at that figure in 2002-03 and 2003-04. It rose slightly to 26 per cent in 2004-05.

Albertans were most likely to have been a victim of vandalism, followed by theft of personal property, and motor vehicle or parts theft. Less than 10 per cent of Albertans had been a victim of a theft or attempted theft of household property, as break and enter, or a robbery. Five per cent or less had been a victim of an assult, or a sexual assult in the past year.

In all, 63 per cent of victims said they had reported a crime to the police in the past year. The main reason for not reporting a crime was that they felt it was minor or not serious enough to warrant reporting to the police. Those Albertans least likely to have reported the crime(s) to the police were 18 - 24 year olds, and those earning less than $20,000 annually.

The warden of the Lethbridge Gaol, J.H. Rivers, lamented in the preface to the gaol's annual report that 1918 "has been a year of severe trial in many ways, especially owing to the continued drought, with hot, dry, strong winds during the summer and the visitation of Influenza during the early winter months." The warden also observed, "the securing of satisfactory help continues to be a serious proposition but perhaps with the coming of Peace we may be able to secure men who will take an interest in this class of work."

G1

Victimization Rate

The percentage of Albertans who have reported being a victim of crime in the past year.

	Target	Actual
2001/02	25	
2002/03	25	
2003/04	25	
2004/05	26	
2004/05		25

Source: Research Innovations 2001/02-2004/05

For methodology related to this measure see page 53.

In early spring 1914, construction of Alberta's second provincial jail began on the site of the NWMP reserve in Fort Saskatchewan. To offset the $200,000 construction cost, the prisoners at the Fort Saskatchewan Gaol performed most of the excavation and construction work. The facility, which had an initial design capacity of 200 (which was later increased to 300), opened in the fall of 1915. In 1918, construction of a women's jail was also completed on the grounds of the Fort Saskatchewan Gaol.

Key Measure 4 – Crime Rate: Violent Crime and Property Crime

Performance Summary

Alberta's violent and property crime rates remained the lowest of the four western provinces in 2004.

Key Measure

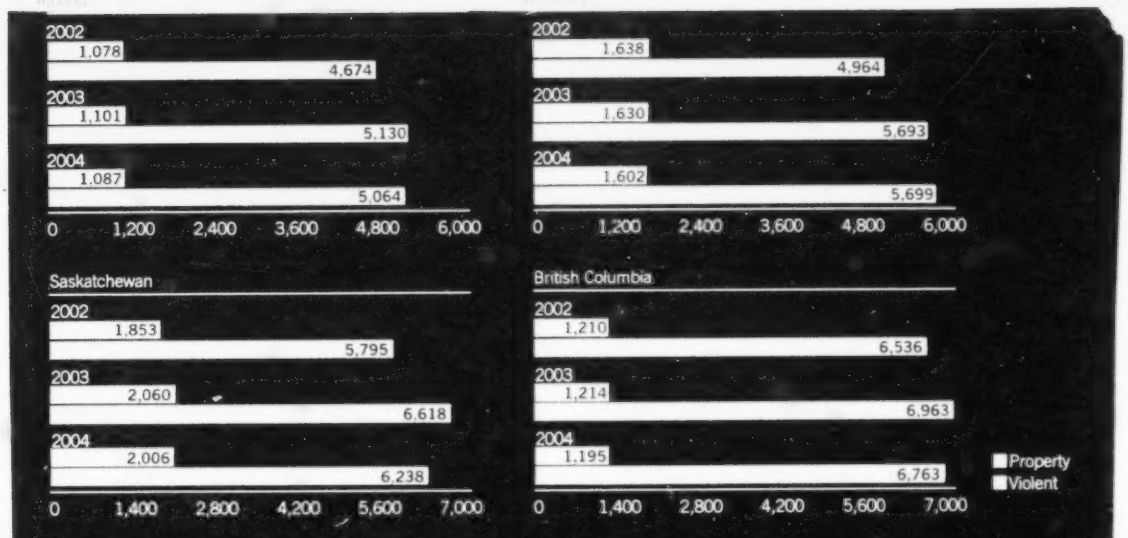
Crime rate: violent crime and property crime

In 2004, Alberta's violent crime rate was 1,087 per 100,000 population. This represents a decrease of 1.3 per cent from 2003. This meets the target—to have the lowest rate of the four western provinces.

In 2004, Alberta's property crime rate was 5,064 per 100,000 population. This too remains the lowest in the four western provinces and also represents a 1.3 per cent decrease.

Discussion and Analysis

Crime Rate: Violent Crime and Property Crime



Source: Canadian Centre for Justice Statistics

For methodology related to this measure see page 53.

In 1912, the Edmonton Police Department hired Annie May Jackson as the first female constable in Canada. This was so unprecedented that the London Daily Mirror ran a special feature on Miss Jackson. Her special duty was to "look after the morals and manners of Edmonton's young girls." She was paid the same monthly rate as the other serving members--$75 per month.

Discussion and Analysis

Unlike victimization, which measures both reported and unreported crime; crime rate is the official measure of police-reported crime. The ministry acknowledges the public's expectations of the department in reducing crime rate, even though there are many factors that contribute to the outcome of this measure that are beyond the ministry's control. Factors influencing crime patterns include age structure of the population, unemployment, inflation, alcohol and drug consumption, educational attainment and social attitudes.

Following an increase in 2003, violent crime and property crime fell in Alberta in 2004. There was a 1.3 per cent decrease in the rate of violent crime, largely due to a decrease in robberies and sexual assaults. There was also a 1.3 per cent decrease in property crime in Alberta. This was mainly due to a decrease in motor vehicle and other thefts. The crime rate in Alberta remained the lowest among the four western provinces for the 12th consecutive year.

Alberta's total crime rate increased slightly, by 0.7 per cent in 2004. This rise in total crime rate was driven by an increase in a number of "Other Criminal Code" offences (i.e. incidents that are classified as neither property crimes nor violent crimes) including an increase in offensive weapons incidents and mischief.

In Alberta, youth crime fell significantly in 2004. The total youth crime rate for 2004 decreased by 9.3 per cent. The violent crime rate for youth decreased by 10.4 per cent. The youth property crime rate fell by 13.7 per cent.

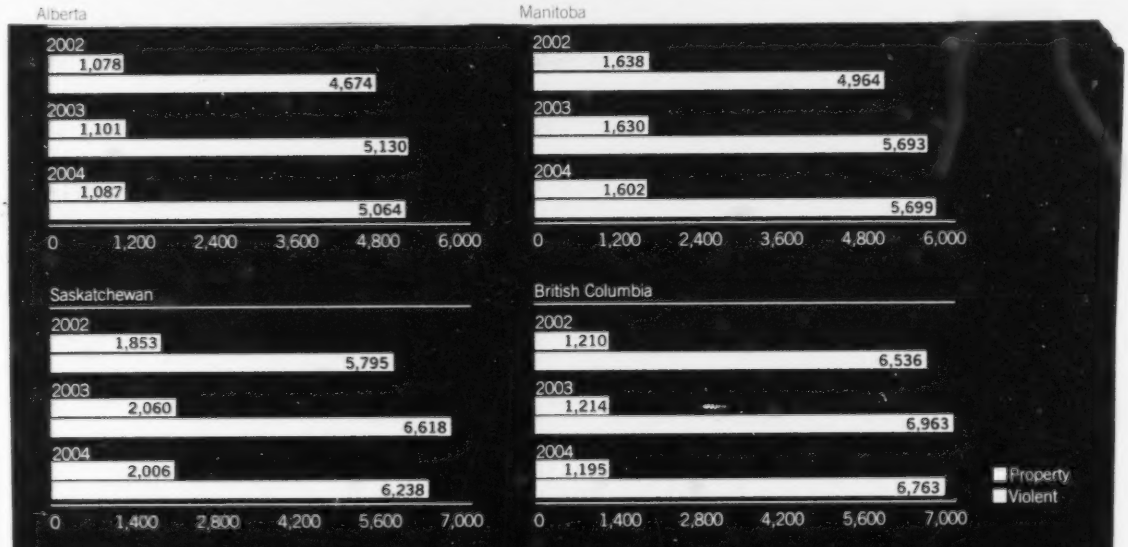
There is considerable regional variation in crime rates across Canada. Following an increase in 2003, the national crime rate fell slightly (1.1 per cent) in 2004. Although most crimes declined in 2004, noticeable increases were seen in homicides and drug incidents. Over the past decade the national crime rate has fallen 12 per cent.

In Western Canada, crime rates are lowest in Alberta. One possible explanation for this is the strong Alberta economy. Unemployment, measures of poverty, and income inequality are frequently cited as risk factors of criminal activity. Alberta has the highest participation rate in the labour force of the four western provinces.

CRIME RATE: VIOLENT CRIME AND PROPERTY CRIME

The rate (per 100,000 pop) of violent crime and rate of property crime as reported by police.

Target: To have the lowest violent and property crime rates of the four western provinces



Source: Canadian Centre for Justice Statistics

For methodology related to this measure see page 53.

CORE BUSINESS 2 – VICTIMS PROGRAMS AND SERVICES

GOAL TWO - PROVIDE SERVICES TO VICTIMS AND ENSURE THAT THEY HAVE A MORE MEANINGFUL ROLE IN THE CRIMINAL JUSTICE SYSTEM

Recognizing the needs of the victim in the criminal justice system helps restore the balance of society in a humane and fair way, and is an important goal of our justice system. Alberta Solicitor General is committed to providing effective services to victims of crime and expanding the role of the victim in the criminal justice system.

The following section highlights the ministry's accomplishments related to the strategies identified under goal two in the 2004-07 business plan.

Strategic Accomplishments

Strategy 2.1
Implement the approved recommendations of the MLA Report of the *Victims of Crime Consultation* subject to availability of funds. This will provide a ten-year vision for the development of programs and services for victims of crime and provide a framework for the achievement of that vision.

- On July 8, 2004, Treasury Board approved the release of funds to implement the 37 government-accepted recommendations from the MLA Victims Review. As of March 31, 2005, eight of the 37 accepted recommendations had been successfully implemented, and ongoing progress is being made on 23 additional recommendations. Implementing the report's recommendations is a long-term, ongoing initiative that will continue to be a high priority over the next several years.

Strategy 2.2
Implement revised Victim Impact Statement guidelines.

- New procedures and guidelines have been developed and implemented to ensure that Victim Impact Statements are not disclosed until after a finding of guilt. The new procedures are consistent with both the recommendations of the Victim Impact Statement Review Committee and Alberta case law. The new guidelines were distributed to the judiciary, police, victim service units and other community agencies across the province, and approximately 500 people attended training workshops on the new VIS guidelines.

KEY MEASURE 1 – SATISFACTION WITH SERVICES PROVIDED TO APPLICANTS FOR VICTIM FINANCIAL BENEFITS

Performance Summary

The majority of applicants for victim financial benefits are satisfied with the services received within the justice system.

KEY MEASURE
Satisfaction with services provided to applicants for victim financial benefits

In 2004-05, program applicants surveyed reported an overall score of 4.01 out of 5, indicating they were satisfied with various services they received. This result is an increase from 3.99 last year, and exceeds the target of 4.00.

J.D. McLean was the longest serving Correctional Centre Director in the history of Alberta Correctional Services. Mr. McLean was the warden of the Fort Saskatchewan Provincial Gaol between 1926-1963, after first being named acting Warden in 1925.

Discussion and Analysis

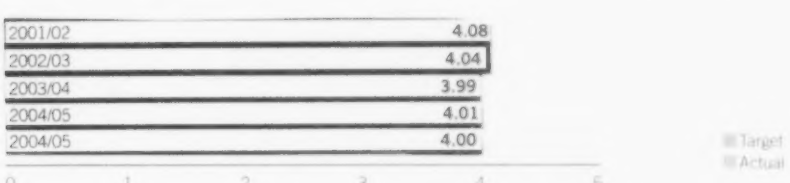
The *Victims of Crime Act* provides for financial benefits to be paid to eligible individuals who have incurred physical or emotional injury as a result of violent crime in Alberta. Those injured during a crime may be eligible for a one-time financial benefit based on the severity of injuries sustained. The program does not cover property damage or loss due to crime. When crime results in death, dependents of the victim may be eligible for financial benefits. Likewise, a legal guardian may apply on behalf of minors or dependent adults.

Those applying for financial benefits are asked to rate matters such as the helpfulness of their referring agency and the helpfulness of the overall service provided to them in the justice system. The majority of applicants who have suffered injury as a result of a crime are satisfied with the services they receive.

Survey respondents have been victims of crime, which may have influenced the satisfaction ratings that they have provided.

SATISFACTION WITH SERVICES PROVIDED TO APPLICANTS FOR VICTIM FINANCIAL BENEFITS

Satisfaction rate (based on a five-point rating scale, with five being the highest) with services provided to applicants for victim financial benefits.



Source: *Public Security Division*

For methodology related to this measure see page 54.

Key Measure 2 – Access to Victim Service Units

Performance Summary

The majority of Alberta police services or RCMP detachments have access to a victim service unit.

Key Measure	
Access to victim service units	In 2004-05, 98 per cent of Alberta police services or RCMP detachments have or have access to a victim service unit. This result represents an increase of 2 per cent from 2003-04 and exceeds this year's target of 95 per cent.

The first superintendent of Bowden Institution, James Eakins, assumed his position at the institution in 1951. In 1975, Bowden Institution was sold to the federal government for $1 and it was opened the following year for use as a medium-security federal penitentiary. At this time, Bowden is still utilized by the Correctional Services of Canada as a penitentiary.

Discussion and Analysis

Groups and organizations that are supported by their community to provide programs and services that benefit victims of crime during their involvement with the criminal justice process are eligible to apply for funding from the ministry. Priority funding is given to police-based volunteer programs. A network of victim service units has been established to follow-up on the initial police response and provide assistance to victims as their cases proceed through the criminal justice system.

Opportunities for expansion of victim service units still exist in more rural areas of the province.

Access to Victim Service Units

Percentage of Alberta police services or RCMP detachments that have, or have access to, a victim service unit.

Source: *Public Security Division*

For methodology related to this measure see page 54.

Core Business 3 – Custody, Supervision and Rehabilitative Opportunities for Offenders

Goal Three – Facilitate the Rehabilitation of Offenders

When an individual engages in criminal activity, it is to the advantage of all Albertans that the individual be held accountable and encouraged to become a law-abiding member of society. While the onus for change rests with the individual, it is believed that change can be facilitated by providing offenders with assistance and opportunities that promote positive and productive behaviour.

The following section highlights the ministry's accomplishments related to the strategies identified under goal three in the 2004-07 business plan.

Strategic Accomplishments

Strategy 3.1
Implement the approved recommendations of the MLA Review of Corrections.

E.E. Buchanan was the first Inspector of Gaols, appointed in April 1952.

- The Government MLA Review of Correctional Services report was publicly released on March 30, 2004. The Government accepted 34 of the 38 recommendations. The report found that, overall, correctional services in Alberta were cost-effective and well-managed. The review also supported the re-profiling of a number of corrections programs to meet new challenges, particularly in relation to offenders under supervision in the community and programs for young offenders following the introduction of the *Youth Criminal Justice Act* on April 1, 2003. Recommendations that have been implemented, or will be put into place, include:
  - Hiring 12 new Probation Officers.
  - Providing permanent resources for young offender attendance centre operations in Calgary and Edmonton.
  - Electronic monitoring pilot project.
  - Smoking ban in all adult correctional facilities.
  - Closure of underutilized facilities and operations such as the Lethbridge Young Offender Centre, young offender units at the Red Deer and Medicine Hat Remand facilities, closure of one young offender camp and several adult camps, and closure of farming operations.
  - Staff attendance management strategy.
  - Support for revisions to the *Corrections Act* (e.g., random drug testing).

Strategy 3.2
Assist the development of Mental Health Diversion programs in Alberta in collaboration with the Alberta Mental Health Board, other ministries and stakeholders.

- In April 2001, with $1.4 million from the Alberta Health and Wellness Fund, the Alberta Mental Health Board sponsored the Calgary Diversion Project, a three-year pilot initiative. The underlying premise of the initiative is that, whenever possible, adults and adolescents with mental illness who come into conflict with the law should receive care, support and treatment from mental health agencies and other social and support services, rather than in the criminal justice system.
- Also in 2001, an inter-ministerial committee was formed that was co-chaired by the Alberta Mental Health Board and Alberta Solicitor General and also included agency and community stakeholders. The objective of the committee was to further diversion initiatives in the province through coordinated effort and best practices knowledge. The committee completed a Provincial Diversion Framework (2001), a Proposed Implementation Plan (2002) and a Phase One Program Development Plan (2003).
- Since June 2003, the Provincial Diversion Coordinator (a position funded by the Alberta Mental Health Board) has worked with the communities of St. Paul and Lethbridge in the development of community-based diversion programs. In 2004, Edmonton was approved for $1.4 million in funding through the Alberta Health & Wellness Primary Health Care Capacity Fund to implement a three-year pilot diversion project.
- In April 2005, a Final Evaluation Report was completed for the Calgary Diversion Project and the program is continuing with the support of the Alberta Mental Health Board and the Calgary Health Region. Funding decisions with respect to further expansion of the program remain outstanding.

Strategy 3.3
Support the Alberta Children and Youth Initiative by ensuring provincial supports for youth in transition to adulthood are comprehensive, integrated and effective in meeting the needs of youth.

- Alberta Solicitor General has worked with other government ministries to ensure supports are available for youth. In 2004, a specialized group home, Bridges, was established to provide mental health and addictions treatment for young offenders. The Bridges Program was developed in partnership with Alberta Mental Health Board (AMHB), Alberta Alcohol and Drug Abuse Commission (AADAC), Capital Health Authority, and the Edmonton John Howard Society.
- Alberta Solicitor General continues to co-chair, with AMHB, the Provincial Young Offender Mental Health Services Committee that was established to assist in the joint planning, integration and enhancement of services for young offenders. Through this partnership, mental health units have been established at young offender centres, assessment and treatment services are more readily available in rural Alberta, specialized female young offender programs have commenced, forensic adolescent services have expanded in Calgary, and the Intensive Rehabilitation Custody and Supervision Order Program was developed with co-case managers assigned to manage treatment plans.

Strategy 3.4
Support the operation, and where possible, further development of domestic violence treatment programs in Alberta, together with the Alberta Mental Health Board, other ministries and stakeholders.

- Although Alberta Solicitor General did not receive funding to fully support the implementation of the Domestic Violence Treatment Framework, we will continue to provide support, where possible, for the expansion of specialized domestic violence courts and treatment services across Alberta.
- Historically, specialized domestic violence courts and treatment programs have resulted in substantial increases to probation caseloads.

KEY MEASURE 1 – OUTCOME OF CORRECTIONAL SANCTIONS: SUCCESSFUL COMPLETION OF YOUNG OFFENDER PROBATION DISPOSITIONS

Performance Summary

The percentage of successful completion of young offender probation dispositions was lower in 2004-05 than in 2003-04.

KEY MEASURE	
Outcome of correctional sanctions: successful completion of young offender probation dispositions	In 2004-05, the successful completion of young offender probation dispositions was 55 per cent. This is a decrease from 59 per cent in 2003-04 and is below the target of 62 per cent.

The Lethbridge Gaol, Alberta's first provincial jail, was built under the auspices of the Department of Public Works and the new facility had 110 cells and 6 dormitories with an initial design capacity of 168. The jail opened in July 1911. At the entrance to the jail, apparently, a large sign was hung that said "LETHBRIDGE PROVINCIAL GAOL – KEEP OUT."

Discussion and Analysis

This measure is relevant to the goal of facilitating the rehabilitation of offenders. It measures the successful completion of a period of supervision in the community by youth as ordered by the courts under conditions prescribed in a probation order.

Review of the percentage of successful completion of young offender probation dispositions allows the ministry to enhance efficiency of correctional services and assess the effectiveness of correctional programming offered in a community setting.

A successful probation disposition termination is one where the offender responds well to correctional supervision and does not lapse into further criminal behaviour while subject to correctional intervention.

While the ministry works towards high compliance by offenders with court orders, history shows that a number of influences upon an offender's behaviour during the period he or she is under supervision can impact the actual rate of compliance. Since the introduction of new federal legislation, there has been a significant downward trend in the use of custody sentences by youth justice courts. The courts are now using community-based sentencing options for more serious and high profile offences. Also, youth are often bound by multiple concurrent community sentences, resulting in intensive supervision with increased potential for breaches and violations and a corresponding decrease in successful completion of the sentences. Community supervision cases are more challenging and complex, and offenders are more resistant to supervision and support. As caseloads divert from less serious offenders, decreasing the number of "natural" successes, the average success is apt to decrease. It is important to note that the courts select those offenders to be supervised in the community under probation dispositions; the role of community corrections is to enforce the orders or report non-compliance.

The target for the successful completion of young offender probation dispositions is set lower than the target for successful completion of adult probation dispositions because young offenders tend to be more impulsive than adults and community sentences are being given for high severity offences.

Outcome of Correctional Sanctions: Successful Completion of Young Offender Probation Dispositions

The percentage of supervision cases that were successfully completed.

Source: Corrections Services Division

For methodology related to this measure see page 55.

Key Measure 2 - Outcome of Correctional Sanctions: Successful completion of Adult Probation Dispositions

Performance Summary

The successful completion of adult probation dispositions in 2004-05 was less than the previous year.

Key Measure	
Outcome of correctional sanctions: successful completion of adult	In 2004-05, the successful completion of adult probation disposition was 60 per cent. This represents a decline from the 63 per cent achieved in 2003-04 and is below the target of 65 per cent.

The Calgary Provincial Jail commenced with the purchase of four sections (2,560 acres) of land, known as the Spy Hill Dairy Farm, west of the City of Calgary in May 1956. Initially, two officers and 11 inmates were transferred in May 1956 from Bowden Institution to occupy the premises and operate the farmland. The first section of the jail opened on December 15, 1958 with a bed capacity for 184 inmates.

In 1954 legislation was passed that formally provided for adult probation supervision in the community and at that time the Alberta Adult Probation Branch was formed.

Discussion and Analysis

The percentage of supervision cases that were successfully completed measures the successful completion of a period of supervision in the community by adults as ordered by the courts under conditions prescribed in a probation order.

Review of the percentage of successful completion of adult probation dispositions allows the ministry to enhance efficiency of correctional services and assess the effectiveness of correctional programming offered in a community setting.

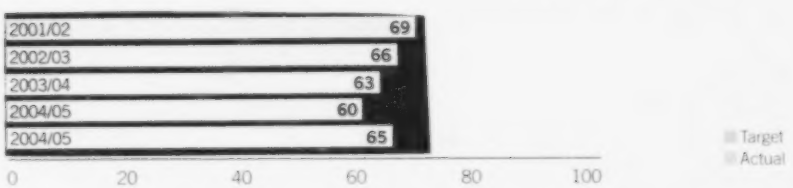
A successful probation disposition termination is one where the offender responds well to correctional supervision and does not lapse into further criminal behaviour while subject to correctional intervention.

The result for 2004-05 (60 per cent) is lower than the results from 2003-04 (63 per cent) and 2002-03 (66 per cent). One important factor that may have contributed to the decrease in successful probation dispositions is that adjustments in supervision standards, coupled with some staffing increases, have allowed probation officers greater opportunities to more closely supervise high risk and high need offenders. As these offenders are more prone to violation activity, a greater focus of resources on these offenders resulted in more violations being detected.

While the ministry works towards high compliance by offenders with court orders, history shows that a number of influences upon an offender's behaviour during the period he or she is under supervision can impact the actual rate of compliance. It is important to note that the courts select those offenders to be supervised in the community under probation dispositions; the role of community corrections is to enforce the orders or report non-compliance.

OUTCOME OF CORRECTIONAL SANCTIONS: SUCCESSFUL COMPLETION OF ADULT PROBATION DISPOSITIONS

The percentage of supervision cases that were successfully completed.



Source: *Correctional Services Division*

For methodology related to this measure see page 56.

Key Measure 3 – Per Cent of Offenders Involved in Work, Education, Treatment or Life Management Programs

Performance Summary

The percentage of offenders involved in work, education, treatment or life management programs remained consistently high, at approximately the same level as in the 2003-04 fiscal year, surpassing the target.

Key Measure

Per cent of offenders involved in work, education, treatment or life management programs

In 2004-05, an average of 88 per cent of offenders were involved in work, education, treatment or life management programs. This surpasses this year's target of 80 per cent.

Discussion and Analysis

This measure reflects the percentage of sentenced adult offenders and sentenced and remanded young offenders involved in work, education and life management programs. These activities are important in preparing offenders for successful integration into the community.

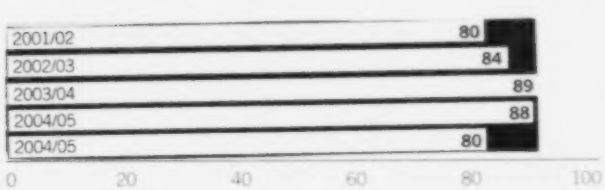
Sentenced adult and sentenced and remanded young offenders in custody are held in adult correctional centres (63 per cent), remand centres (23 per cent), and young offender centres (14 per cent). A very small number of young offenders serve their sentences at group homes.

Generally, the percentage of offenders involved in work, education, treatment, and life management programs is highest at adult correctional centres and young offender centres. Some adult offenders at remand centres are awaiting transfer to other facilities following sentencing and do not participate in programs until they reach their destinations.

The ministry was able to exceed the business plan target despite continuing declines in the number of young offenders and adult minimum security offenders who can work on community service projects outside a correctional centre.

Per Cent of Offenders Involved in Work, Education, Treatment or Life Management Programs

The percentage of incarcerated offenders involved in provincial work, education, treatment and life management programs.



Source: *Correctional Services Division*

For methodology related to this measure see page 57.

In 1932, on a trial basis, a teacher from the town of Fort Saskatchewan came to the Fort Saskatchewan Gaol two evenings a month from December 1932 to March 1933. He taught a group of 10 offenders basic academic upgrading. The participation rate of the offenders was extremely good, 97 per cent, and the project was even more successful the following year. Since that time, adult basic education programs for offenders have continued to be offered, in various formats, at Alberta correctional facilities.

KEY MEASURE 4 – NUMBER OF HOURS OF COMMUNITY SERVICE

Performance Summary
In 2004-05, the number of hours of community service performed by offenders in custody was down slightly from the results achieved in the previous year.

KEY MEASURE	
Number of hours of community service	During the fiscal year, adult and young offenders completed a total of 786,452 hours of community service work. This is down somewhat from 819,788 hours in 2003-04. This year's target was 825,000 hours of community service work.

In 1923, prisoners were enlisted from the Fort Saskatchewan Jail to assist local farmers with their crops. This was the beginning of community service work by offenders in this province.

Discussion and Analysis
Community service work is a program that provides offenders with an opportunity to contribute to their communities and to learn positive work habits. Projects are completed for non-profit organizations, community groups, municipalities and government ministries.

The number of community service work hours completed by offenders during the fiscal year was approximately four per cent lower than the number of community service work hours completed during the previous fiscal year.

Due to the risks involved, only minimum-security offenders at adult centres can work on community service projects outside the centres and in work camps. Near the beginning of the fiscal year, recommendations of the MLA Corrections Review Committee were implemented. This included the closure of four minimum-security adult work camps effective April 30, 2004, the closure of one young offender work camp effective May 29, 2004, and the closure of the Lethbridge Young Offender Centre effective June 30, 2004. Closure of these under-utilized operations likely contributed to the reduction in the number of community service work hours completed.

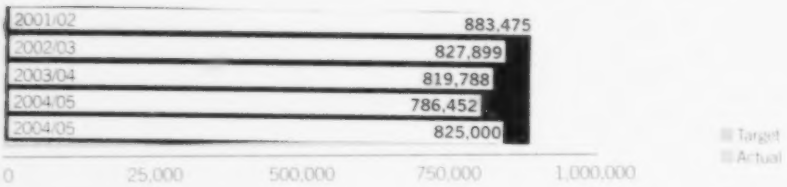
Economic factors can play a significant role in the number of community service work hours performed by offenders. This is because offenders may complete community service work in lieu of paying fines. When economic conditions are good, offenders are more likely to pay fines.

Other factors include fewer adult minimum-security offenders, a declining young offender population, and successful operation of the Alberta Justice Fine Collection Unit.

G3

Number of Hours of Community Service

The number of hours of community service performed by offenders in custody who are housed in centres, camps and group homes, and by offenders serving their sentences in the community.



Source: *Correctional Services Division*

For methodology related to this measure see page 57.

J.H. (Doc) Rivers, the first warden of the Lethbridge Provincial Gaol between 1911-1923, was responsible for developing a complex irrigation system to enable the correctional centre to be self sufficient in the production of vegetable products.

GOAL FOUR – ENSURE SECURE AND EFFICIENT CUSTODY, COMMUNITY SUPERVISION AND TRANSPORTATION OF OFFENDERS

The provision of effective and efficient security, supervision and transportation of offenders is an essential component of ensuring Albertans' safety.

The following section highlights the ministry's accomplishments related to the strategies identified under goal four in the 2004-07 business plan.

Strategic Accomplishments

At the Fort Saskatchewan Gaol, a total of 29 hangings occurred between 1916 and 1960, including the execution of the first and only woman in Alberta (Florence Lassandra in 1923). In 2003, the Calgary Opera and the Banff Centre for the Arts commissioned and produced an operatic version of the events that led to her execution, using Florence's real name, Filumena, as its title.

Strategy 4.1
Ensure that the ministry's correctional programs meet the needs of community and staff safety, offender rehabilitation and cost effectiveness by implementing the approved recommendations of the MLA Review of Corrections

- The MLA Corrections Review Committee made recommendations that will help Alberta Solicitor General continue to provide cost effective programs that hold offenders accountable and promote safe communities. The committee reported that overall, correctional services in Alberta are cost effective and well managed. In October 2004, the Canadian Centre for Justice Statistics reported that Alberta, at $101.51 per day per offender, had the second-lowest cost for housing adult offenders in a correctional facility in Canada. By contrast, the average cost for other provincial and territorial jurisdictions was $140.97 per day per offender and $234.65 per day per offender for correctional facilities operated by the federal government.
- Other performance measures illustrate the department's achievements with respect to this strategy:
  - Zero escapes from secure custody during the last two fiscal years.
  - A 99.7 per cent success rate for offenders released on the Temporary Absence Program.

Strategy 4.2
Upon completion of a successful pilot project, and together with Justice and other supporting ministries, support development of an implementation strategy for provincewide video conferencing in all major adult correctional and young offender centres, as an alternative to in-person court appearances for accused persons and witnesses.

- A successful pilot program has been in operation for the past two years involving the Edmonton Remand Centre, the Calgary Young Offender Centre, and eight provincial court locations.
- Video conferencing locations to be completed in 2005-06 include Edmonton Remand Centre (five studios), Calgary Young Offender Centre (three studios), Edmonton Young Offender Centre (three studios), and 26 provincial court locations.
- Work with Infrastructure and Transportation on facility development continues. Required staff positions have been funded and recruitment will parallel infrastructure development.

Key Measure 1 – Successful Completion of Temporary Absence Supervision

Performance Summary

The percentage of offenders successfully completing temporary absence supervision remained consistently high throughout the 2004-05 fiscal year, never falling below the target.

Key Measure	
Successful completion of temporary absence supervision	During the 2004-05 fiscal year, the successful completion of temporary absence supervision was 99.7 per cent. The result achieved is almost identical to that achieved during the preceding four fiscal years. This year's target, to be no lower than 99 per cent, was met.

Discussion and Analysis

This measure reflects the percentage of offenders on temporary absence who do not incur a new charge while under supervision in the community as part of their sentences. The temporary absence program allows for the release, under supervision, of selected low-risk offenders, including intermittent sentenced offenders and fine defaulters. Offenders released under the temporary absence program are involved in work, rehabilitative programs, or community service work.

Successful completion of the temporary absence program indicates these offenders are satisfactorily managed in the community while they are involved in constructive activities, and reflects the accuracy of the release decision.

In part, this measure assesses the ability of decision makers to make a correct determination of the offender's ability to remain in the community without becoming involved with further criminal activity for the duration of the sentence.

J.D. Lee was appointed as the first Director of Correctional Services in 1966. During his tenure, the Temporary Absence Program was established in Alberta Corrections.

Successful Completion of Temporary Absence Supervision

The percentage of offenders on temporary absence who do not incur a new criminal charge while under supervision.

Source: *Correctional Services Division*

For methodology related to this measure see page 58.

KEY MEASURE 2 – PER DIEM COST OF HOUSING ADULT OFFENDERS IN A CORRECTIONAL FACILITY

The average cost per diem per offender in 1940-41 was 90 cents. This rose to $1.36 by 1945-46. In 2002-03, the latest year for which comparative statistics are available, the Canadian Centre for Justice Statistics reported that the average cost per diem for adult custody in Alberta was $101.51, the second-lowest in Canada.

Performance Summary

In 2002-03, the latest year for which data is available, Alberta had the second-lowest cost per diem for housing adult offenders in Canada.

KEY MEASURE	
Per diem cost of housing adult offenders in a correctional facility	In 2002-03, the per diem cost for housing an adult offender in a provincial correctional facility was $101.51. This was the second-lowest cost per diem per offender in Canada. The target was to be among the four jurisdictions that have the lowest cost per diem per offender in Canada.

Discussion and Analysis

The people of Alberta are best served when correctional services promote safe and secure communities and are provided in an efficient and cost effective manner. Being one of the lowest per diem cost jurisdictions in Canada indicates the ministry is managing adult correctional centres in a cost effective manner.

In 2002-03, the latest year for which data is available, Alberta had the second-lowest cost per diem for housing adult offenders in Canada. Alberta's per diem cost of $101.51 was well below the average per diem cost of $140.97 for all provinces and territories as reported by the Canadian Centre for Justice Statistics. Nova Scotia had the lowest cost, reporting a per diem cost of $75.91. The average daily cost of housing an offender in a federal penitentiary was $234.65 in 2002-03.

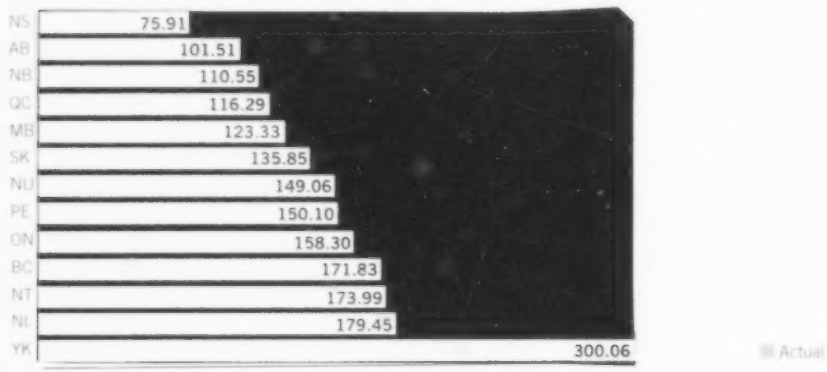
The per diem cost per offender is directly proportional to the number and cost of staff required to run provincial correctional facilities and inversely proportional to the number of offenders in custody. Other costs such as food, medical services and programming also play a factor in the cost of housing offenders.

Correctional Services has no control over the number of offenders remanded or sentenced to custody, as these are decisions of the court. When the number of offenders ordered held in custody declines, the average daily cost per offender can be expected to rise.

Also, employee absenteeism results in significant additional wage and overtime costs to meet operational requirements.

Per Diem Cost of Housing Adult Offenders in a Correctional Facility

The average cost per day to house one adult inmate in a correctional facility.
Target: to be among the four jurisdictions that have the lowest cost per diem per offender in Canada.



Source: Adult Correctional Services in Canada: 2002-2003, Canadian Centre for Justice Statistics
For methodology related to this measure see page 59.

Key Measure 3 – Number of Escape Incidents from Secure Custody or During Transport

Performance Summary
This year's result is in line with the target: there were no escapes from secure custody or during transport.

Key Measure	
Number of escape incidents from secure custody or during transport	In 2004-05 there were no escapes from secure custody or during transport, achieving the target.

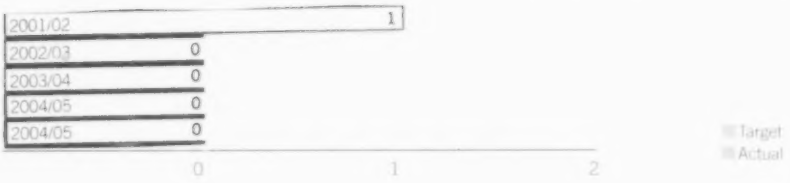
Discussion and Analysis
A primary goal of the ministry is to ensure that offenders remain in custody when they are in a correctional facility or while being transported to court. This measure reflects the ministry's success in meeting this goal.

The prevention of escapes by offenders is an important element of the ministry's contribution to safe communities. Adult correctional and young offender facility staff members were very vigilant in meeting this performance target during the year. Ongoing staff training, appropriate supervision of offenders, collecting and communicating relevant preventative security information, and effective operational policies and procedures work together to reduce the possibility of escape incidents.

In 1918-19, the Fort Saskatchewan Gaol had an average daily population of approximately 102. That year the jail had six offenders escape, four of whom were subsequently captured by the Alberta Provincial Police. In 2004-05, the Fort Saskatchewan Correctional Centre had an average daily population of 322 and zero escapes.

NUMBER OF ESCAPE INCIDENTS FROM SECURE CUSTODY OR DURING TRANSPORT

The number of escape incidents from secure custody (within a correctional facility) or under escort.



Source: *Correctional Services Division*

For methodology related to this measure see page 59.

Core Business 4 – Security Services

Goal Five – Ensure the safety of Albertans by providing government security services and crisis management planning.

As a lead agency in Alberta's counter-terrorism crisis management process, one of Alberta Solicitor General's key priorities is to protect Albertans by ensuring that appropriate mechanisms are in place to identify and mitigate potential terrorist threats and prepare for emergency situations.

The following section highlights the ministry's accomplishments related to the strategies identified under goal five in the 2004-07 business plan.

Strategic Accomplishments

Strategy 5.1
Enhance security information communication channels and security risk awareness in the province.

- The Security and Information Management (SIM) unit provides threat assessments, threat level notification bulletins and federal security information to Alberta Counter-Terrorism Crisis Management Plan stakeholders in the Government of Alberta, in industry and in municipalities. This allows stakeholders to assess and evaluate their individual security requirements.

Strategy 5.2
Develop and implement counter-terrorism strategies in cooperation with Alberta law enforcement and intelligence operations, private and public sector organizations, and their national and international counterparts.

- In cooperation with provincial and federal law enforcement and intelligence operations, the Security and Information Management (SIM) unit has established protocols to facilitate information and intelligence sharing on terrorism. SIM facilitates the movement of security information from industry, Government of Alberta departments and municipalities to law enforcement agencies and intelligence agencies, and shares analytical products with public and private stakeholders.

Strategy 5.3
Working with our partners in Infrastructure and Transportation, Justice, and the judiciary, prepare a court security proposal for government approval.

- In partnership with Alberta Justice and Alberta Infrastructure and Transportation, the ministry has prepared a Comprehensive Court Security Plan and has secured government approval. Implementation will begin in 2005-06 and it is anticipated that the plan will be fully implemented over a three-year period.

After a number of failed rebellions in Ireland, Irish nationalists, the Fenians, attempted an invasion of Canada in 1866. While the military threat of the Fenians proved to be weaker than it could have been, the colonial government of Canada was shocked. The combined fear of the Fenians and the Americans was an important cause in the creation of Confederation of Canada in 1867. The Northwest Mounted Police Force (later named the Royal Canadian Mounted Police or RCMP) was created to watch over the new Dominion and its newly acquired western territories, including the region later named Alberta.

KEY MEASURE 1 – STAKEHOLDER SATISFACTION WITH SERVICES OF THE SECURITY AND INFORMATION MANAGEMENT UNIT

Performance Summary

The majority of clients were satisfied with the information and services they received from the Security and Information Management (SIM) unit.

KEY MEASURE	
Stakeholder satisfaction with services of the Security and Information Management unit	Results of the 2004-05 SIM satisfaction survey indicated that 89 per cent of clients were satisfied with the information and services they had received from the SIM unit in the past 12 months. 54 per cent were very satisfied and 35 per cent were somewhat satisfied.

Discussion and Analysis

This is the second year this measure has appeared in the business plan and annual report.

This measure is responsive to the activities of the SIM unit, and the implementation and delivery of the Alberta Counter-Terrorism Crisis Management Plan as directed by the Ministerial Task Force on Security established by the Premier in response to the terrorist events of September 11, 2001.

SIM assists intelligence and law enforcement agencies by facilitating the movement of unclassified information reports to an approved list of stakeholders and clients in the community. The unit coordinates information sharing among federal, provincial, municipal and private and public sector business clients and stakeholders.

Eighty-nine per cent of clients surveyed were satisfied with services or information received from SIM. This has been assessed as being a reasonable satisfaction percentage since the SIM unit has been in existence less than three years and this is a two per cent increase over the survey results of 2003-04.

In addition to being asked how satisfied they were overall with SIM services, clients were asked to rate their satisfaction and confidence in specific SIM services. Ninety-four per cent of clients surveyed were very or somewhat confident SIM is informed on terrorist threats facing Alberta. Eighty-eight percent of clients surveyed were satisfied with threat level notification bulletins they received from the SIM unit. Eighty-three percent of clients surveyed were satisfied with the SIM unit's information and awareness presentations that they attended.

A target for this measure was not included in the 2004-07 business plan and cannot be report upon, however, a target has been established in the 2005-08 business plan and will be repeated in the 2005-06 annual report.

For methodology related to this measure see page 60.

Criminal Code Reporting - Required Reports

ALBERTA SOLICITOR GENERAL ANNUAL REPORT 2004 - 2005

Criminal Code Reporting - Required Reports

The *Criminal Code* requires the Solicitor General of Alberta to report annually on the following parts of the act.

Criminal Code s. 25.3 – Organized Crime and Law Enforcement – Designations

An Act to Amend the Criminal Code (Organized Crime and Law Enforcement and to Make Consequential Amendments to Other Acts).

On December 18, 2001, Parliament passed Bill C-24, *An Act to Amend the Criminal Code* (Organized Crime and Law Enforcement) *and to Make Consequential Amendments to Other Acts.* The amendments to the *Criminal Code* contained in Bill C-24 enacted new sections to provide a limited justification for otherwise illegal acts and omissions by law enforcement officers, and others acting at their discretion.

The law enforcement justification provisions came into force on February 1, 2002 and an essential condition is that it can apply only to officers designated by a competent authority. In the case of municipal police services, the Solicitor General is the competent authority.

The competent authority is responsible for publishing an annual report on the designations and authorizations provided under subsections 24.1 to 25.4 of the *Criminal Code*. This report shall include information on the amount and nature of the acts or omissions committed by those officers designated under this legislation.

Although the legislation came into force on February 1, 2002, Alberta did not begin designating officers under this legislation until March 2003. Although some municipal police services have officers designated, they reported no use of the designation during 2004.

Criminal Code s. 83.3(3) – Anti-Terrorism – Arrests without Warrant

Anti-Terrorism Act

On December 18, 2001, Parliament passed Bill C-36, the *Anti-Terrorism Act*. Through amendments to the *Criminal Code*, the new act created measures to take enforcement action in order to prevent terrorist incidents and provided law enforcement agencies with new investigative tools. In accordance with subsection 83.3(4), a peace officer who suspects on reasonable grounds that the detention of a person is necessary to prevent a terrorist activity, may arrest the person without a warrant.

Pursuant to subsection 83.31(3) of the *Criminal Code*, the minister responsible for policing in every province shall publish or otherwise make available to the public an annual report for the previous year on the operation of subsection 83.3 of the *Criminal Code* that includes:

a) The number of arrests without warrant that were made under subsection 83.3(4) and the period of the arrested person's detention in custody in each case; and
b) The number of cases in which a person was arrested without warrant under subsection 83.3(4) and was released.

Information has been received from all police services in Alberta indicating that no arrests were made under this subsection in the previous year; therefore, the report for 2004 is nil.

METHODOLOGY

ALBERTA SOLICITOR GENERAL ANNUAL REPORT 2004 - 2005

Methodology

Goal One – Ensure Safe Communities in Alberta

Key Measure 1 – Public Perception of Safety in the Home

Methodology:
A public opinion telephone survey is conducted on an annual basis by a professional survey firm - Research Innovations Inc. The survey averages 20 minutes in length and was last conducted in January 2005. Professionally-trained interviewers conducted all interviews from a central telephone facility. The survey is completed on a computer-assisted telephone interviewing system that allows for ongoing tabulation of results. Ten per cent of all interviews were monitored online.

As in previous years, in 2005 a total of 750 surveys were completed. To survey a random and representative sample of adult Albertans, quotas were established based on Statistics Canada's 2001 Census data. In each of six geographic regions of the province, the number of interviews in each age-gender segment was proportionate to their 2001 population estimates. Results are reliable to within +/-3.6 percent at the 95 per cent confidence level.

Key Measure 2 – Public Perception of Safety in the Neighbourhood

Methodology:
As described under Key Measure 1: Public Perception of Safety in the Home.

Key Measure 3 – Victimization Rate

Methodology:
As described under Key Measure 1: Public Perception of Safety in the Home.

Key Measure 4 – Crime Rate: Violent and Property Crime

Methodology:
Crime is defined as the total number of *Criminal Code* incidents as reported by police, including crimes committed by youths. Violent crime involves offences that deal with the application or threat of application of force to a person. These include homicide, attempted murder, various forms of sexual and non-sexual assault, robbery and abduction. Traffic incidents that result in death or bodily harm are not included. Property crime includes unlawful acts with the intent of gaining property, but do not involve the use or threat of violence against an individual. Theft, breaking and entering, fraud and possession of stolen goods are examples of property crimes.

Crime statistics are collected using the Uniform Crime Reporting Survey, a common survey instrument used to measure police-reported crime in each Canadian jurisdiction. Population data from Statistics Canada is used to convert reported crime into crime rates per 100,000 population. Previous year crime rates are revised annually by the Canadian Centre for Justice Statistics based on population counts.

Methodology

Goal Two - Provide services to victims and ensure that they have a more meaningful role in the criminal justice system

Key Measure 1 – Satisfaction with Services Provided to Applicants for Victim Financial Benefits

Methodology:
The measure is taken from a five-point Likert scale question on the evaluation page of the Application for Financial Benefits form. The scale ranges from 1 (not very helpful) to 5 (very helpful). In total 730 valid completed surveys were returned by victims between April 1, 2004 to March 31, 2005. The total was used to calculate the result. Respondents included only those applying for financial benefits that chose to complete the survey and respond to this question, at the time they applied for benefits. This indicates a 40 per cent response rate as 1,831 new applications were received during the fiscal year 2004-05. The calculation of the percentage of satisfied respondents is as follows: the responses of 1 or 2 on the five point scale (not helpful), of 3 (neutral) and of 4 and 5 (helpful) were counted for each month. The counts were entered on a spreadsheet by month of receipt.

For the 4.01 out of 5 average response result, the methodology consisted of totalling all scores for the survey question and dividing by the total number of valid completed responses to the question for a one year period. Also, for this fiscal year of 2004-05, the number of surveys whose rating was either 4, 4.5 or 5 was also tallied monthly, quarterly and yearly and multiplied by 100 for the monthly, quarterly and yearly percentage. For the fiscal year 2004-05 average percentage, the total number of surveys whose rating was either 4, 4.5 or 5 was 518 out of a total of 730 completed surveys received, with the average yearly fiscal percentage being 71 per cent.

Key Measure 2 – Access to Victim Service Units

Methodology:
Using administrative records, a total of all Alberta police services or RCMP detachments that have, or have access to a victim service unit, and the ones that do not have, or have no access to a victim service unit is calculated. A simple percentage formula is then applied. (Total number of Alberta police services or RCMP detachments that have, or have access to a victim service unit divided by the total number of Alberta police services or RCMP detachments, and then multiplied by 100).

Goal Three – Facilitate the Rehabilitation of Offenders

Key Measure 1 – Outcome of Correctional Sanctions: Successful completion of Young Offender Probation Dispositions

Methodology:
This measure is calculated by dividing the number of probation dispositions that terminate successfully by the number of probation dispositions that terminate. Probation dispositions can terminate either successfully or unsuccessfully.

A probation disposition terminates successfully when it is closed as a result of reduced supervision granted or expiration of the probation order.

Unsuccessful termination occurs when the disposition is closed on or prior to the expiration date of the probation order as a result of the offender:

- Incurring a new criminal charge that results in a period of incarceration and the probation order will expire during the period of incarceration;
- Failing to report to a probation officer and a warrant being issued under the *Youth Criminal Justice Act* (Canada) or under the *Provincial Youth Justice Act*;
- Having a probation violation or *Criminal Code of Canada* offences outstanding on the expiration date; or,
- Incurring a new *Criminal Code* or other federal statute charge that results in a conviction during the period of probation supervision

Each month, community corrections offices report the number of probation dispositions that terminate, and whether termination was successful or unsuccessful, to head office.

Methodology

Key Measure 2 - Outcome of Correctional Sanctions: Successful completion of Adult Probation Dispositions

Methodology:
This measure is calculated by dividing the number of probation dispositions that terminate successfully by the number of probation dispositions that terminate. Probation dispositions can terminate either successfully or unsuccessfully.

A probation disposition terminates successfully when it is closed as a result of reduced supervision granted or expiration of the probation order.

Unsuccessful termination occurs when the disposition is closed on or prior to the expiration date of the probation order as a result of the offender:

- Incurring a new criminal charge that results in a period of incarceration and the probation order will expire during the period of incarceration;
- Failing to report to a probation officer and a warrant being issued under the *Criminal Code of Canada*;
- Having a probation violation outstanding on the expiration date; or,
- Incurring a new *Criminal Code* or other federal statute charge that results in a conviction during the period of probation supervision.

Each month, community corrections offices report the number of probation dispositions that terminate, and whether termination was successful or unsuccessful, to head office.

Key Measure 3 – Per Cent of Offenders Involved in Work, Education, Treatment or Life Management Programs

Methodology:
This measure is calculated by dividing the estimated average daily number of sentenced adult and sentenced and remanded young offenders involved in work, education, treatment or life management programs by the average daily population of eligible offenders.

Correctional centres keep statistics on offender activities. Staff in each of the centres calculates an average number of offenders involved in meaningful activities (education programs, employment, counseling) and enters this information on a Monthly Offender Activity Report, which is forwarded to head office each month.

Average population statistics for correctional centres are produced using CoMIS. CoMIS is a mainframe system used to maintain offender demographics, admissions, movements, charges and releases. It also provides management with a database of operational and statistical information. Staff uses the data from the Monthly Offender Activity Reports and the average population statistics from CoMIS to calculate the results of the measure on a monthly basis.

Key Measure 4 – Number of Hours of Community Service

Methodology:
Alberta correctional centres, camps and group homes report the total number of community service hours completed by offenders serving sentences in custody to head office in Monthly Offender Activity Reports. Provincially-run community corrections offices and some contracted agencies track the number of community hours completed by offenders serving sentences in the community using the Alberta Community Offender Management (ACOM) system. A few contracted agency offices report community service work hours to head office using manual workload statistical reports.

Information from these sources is reported to head office. The number of community service hours reported in the Monthly Offender Activity Reports, in manual workload statistical reports and through ACOM are added together to produce a provincial total. Information on the specific agencies and government departments for which community service is performed is not analyzed.

Methodology

Goal Four – Ensure secure and efficient custody, community supervision and transportation of offenders

Key Measure 1 – Successful Completion of Temporary Absence Supervision

Methodology:
Data on temporary absences granted and temporary absences suspended due to re-offence is stored in CoMIS. CoMIS is a mainframe system used to provide information about offenders housed in provincial correctional centres. It maintains offender demographics, admissions, movements, charges and releases. It also provides management with a database of operational and statistical information. Each month, a data extract is produced from CoMIS for research purposes.

At the end of each month, reports showing the number of temporary absences suspended due to re-offence during the month and the number of temporary absences suspended for the fiscal year to date are produced from the CoMIS data extract. At the end of the fiscal year, a report is also produced showing temporary absences suspended due to re-offence during the fiscal year.

At the end of each month, CoMIS reports are run showing the number of temporary absences granted for the month and for the fiscal year to date. At the end of the fiscal year, a report is run showing the number of temporary absences granted for the entire fiscal year.

A research officer reconciles the reports showing temporary absences granted and temporary absences suspended for the month to the reports showing temporary absences granted and temporary absences suspended for the year to date.

The research officer then calculates the successful completion of temporary absence supervision for each month (by subtracting the number of temporary absences suspended due to re-offence from the number of temporary absences granted and dividing the result by the number of temporary absences granted). A monthly report is prepared and circulated for senior management information. An annual report is also produced.

Key Measure 2 – Per Diem Cost of Housing Adult Offenders in a Correctional Facility

Methodology:
The calculation of this measure conforms to reporting instructions provided by the Canadian Centre for Justice Statistics (CCJS). CCJS reporting instructions include actual costs charged to the Correctional Services Division's budget, and make Alberta results comparable to other Canadian jurisdictions.

The per diem cost is calculated by dividing actual costs directly charged to the Correctional Services Division's budget for custody of offenders at government-operated adult remand and correctional centres along with associated camps by 365 days in a year and by the average daily offender population of the centres.

Actual costs exclude costs incurred by other ministries (Infrastructure and Transportation, Municipal Affairs, and Learning) and any costs not directly associated with running government-operated adult correctional centres such as community corrections, head office, or costs for purchased community services.

Adult intermittent servers are included in the average daily population, as are young offenders held at the Red Deer and Medicine Hat Remand Centres (approximately five per centre in 2002-03).

Key Measure 3 – Number of Escape Incidents from Secure Custody or During Transport

Methodology:
Adult correctional centres and young offender centres report the number of escapes from secure custody on Monthly Offender Activity Reports, which are forwarded to head office.

When a centre reports an escape from secure custody, head office investigates to verify the reported escape is an escape from within the secure confines of a correctional centre.

To be counted as an escape from secure custody, the escape must meet all the requirements for a prison breach as described in the *Criminal Code of Canada*. Offenders who walk away from minimum-security settings such as work camps and group homes or who fail to return from a period of temporary absence are not counted as escapes from secure custody.

If an escape incident occurs when transporting an offender, staff involved in the transport prepare an incident report. This incident report is submitted to management. If police become involved in apprehending the offender, there will be a police report as well.

Management conducts an investigation into the incident and takes further action as needed.

Methodology

Goal Five – Ensure the safety of Albertans by providing government security services and crisis management planning.

Key Measure 1 – Stakeholder Satisfaction with Services of the Security and Information Management Unit

Methodology:
A public opinion survey is conducted on an annual basis by a professional survey firm - Research Innovations Inc. The survey uses a combination of telephone and online data collection methods and was last conducted in March 2005.

The survey was conducted from lists of clients provided by Alberta Solicitor General. Duplicate names were removed from the various lists prior to conducting the survey. To promote a high response rate, all interviews were conducted at a time or using a means (online versus telephone) that was preferred by the client.

If a clients had e-mail addresses, then they were initially contacted by e-mail. If there was no e-mail address, then they were initially contacted by telephone. When contacted by e-mail, clients were sent a link to the survey website, along with a confidential PIN number for entering the survey website. If they participated online at the website, respondents entered their responses directly into the data file. If the interview was conducted by phone, then the telephone interviewer entered the data into the data file. Professionally-trained interviewers conducted all telephone interviews from a central telephone facility.

In 2005, a total of 406 clients participated in the surveys. Results are reliable to within ± 5.0 per cent at the 95 per cent confidence level. The overall participation rate was 54 per cent.

Financial Analysis and Discussion

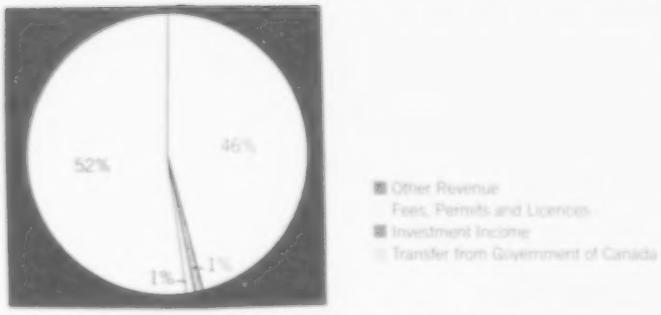
ALBERTA SOLICITOR GENERAL ANNUAL REPORT 2004 - 2005

Operating Results

Ministry revenues in 2004-05 were $0.1 million higher than in the previous year. Annual spending increased by $75.0 million consistent with approved increases to the ministry's base budget. Ministry revenues and expenses are from the Statement of Operations on page 73.

Revenue

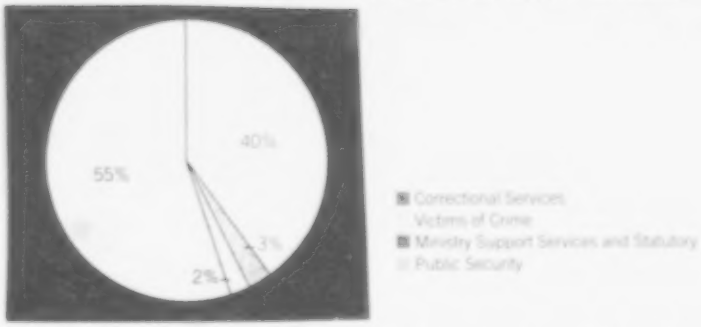
2004-05 Actual Revenue by Source ($41.4 million)



Total revenue is comparable to 2003-04 at $41.4 million. Transfers from the Government of Canada decreased by $1.1 million mainly due to reduced activity in the young offenders program. Investment income increased by $0.1 million due to rate improvement and a higher fund balance in the Victims of Crime Fund (VOCF). Other revenue increased by $1.1 million as follows:

- Provincial surcharge revenue increased by $1.0 million resulting from fine increases under the *Traffic Safety Act*; and
- Combined Federal surcharge revenue and other miscellaneous revenue increased by $0.1 million.

2004-05 Actual Expense by Program ($357.8 million)



Ministry expenses were $11.5 million above the original budget of $346.3 million. Voted operating expenses and equipment/inventory purchases exceeded the original budget of $334.4 million by $9.6 million. Supplementary funding of $9.8 million was added to fund the province's share of the costs of the RCMP task force for missing persons (Project KARE), to address the ministry manpower shortfall, and to fund other increased supplies and services costs. There was also a $2.9 million increase approved for the victims programs in the VOCF.

Comparison of 2004-05 Budget to 2004-05 Actual

Actual operating expense for Public Security of $195.8 million exceeded the original budget by $4.0 million. Policing assistance grants to municipalities exceeded budget by $5.2 million and manpower compensation increases, mainly in the Security Services Branch, exceeded budget by $0.4 million. This was offset by expenditures in other policing programs that were lower than budget by $1.6 million. Supplementary funding of $3.4 million was received to offset these costs. Correctional Services exceeded its $136.4 million operating budget by $5.3 million. Salary settlement and other compensation increases accounted for $5.6 million of the spending increase. This was partially offset by a $0.3 million surplus in other expenditures mainly in contracts and other purchased services. Supplementary funding of $6.3 million was received to offset this shortfall. Ministry Support Services exceeded its $6.1 million operating budget by $0.3 million, primarily due to higher than budgeted expenditures in contracts and other purchased services.

The victims of crime regulated fund program costs of $13.4 million exceeded the approved budget of $11.8 million by $1.6 million. Approximately $1.3 million of the difference was as a result of increased victims program grants due to MLA committee recommendations. The fund received an approved funding increase of $2.9 million to fund these increased victims program initiatives. The $0.3 million remainder results from awards to individuals being slightly higher than budgeted and new staff being retained due to program growth.

The ministry budgets a nominal amount of $0.3 million for statutory valuation to the provisions for doubtful accounts and vacation pay. No additional funding for these provisions was requested.

Comparison of 2004-05 Actual to 2003-04 Actual

Ministry Overview

Ministry expenses of $357.8 million in 2004-05 were $75.0 million above the 2003-04 actuals. With this increase in spending the ministry has been able to enhance funding thresholds for policing, as well as, reinstate and introduce various grant programs in Public Security. Salary settlements and general manpower requirements were also added in much needed areas with Correctional Services.

Ministry Support Services expenditures increased by $0.7 million mainly due to salary settlements. Public Security expenses increased by $64.8 million, primarily due to $42.2 million expended for new policing assistance grants to municipalities. The remaining variance of $22.6 million was primarily a result of raising the population threshold for provincially paid policing from 2,500 to 5,000, enhancements to the provincial policing service agreement and to organized crime initiatives, as well as the reinstatement of crime prevention grants. Correctional Services expenses increased by $8.7 million. Manpower costs increased by $5.6 million due to salary settlements and related employer contributions and other general manpower requirements. Other supplies and services costs increased by $3.1 million primarily due to cost and volume increases in areas such as food services, inmate clothing, and other general cost.

VOCF expenditures increased by $1.3 million, primarily as a result of increased victims program grants due to MLA committee recommendations. The estimated liability for outstanding financial benefits applications was $0.3 million.

The provision for vacation pay remained stable at $0.7 million. The provision for provincial surcharges, which may be deemed uncollectible, decreased by $0.1 million to $0.4 million. The provision for federal surcharges remained stable at $0.3 million.

	2004-05 Budget	2004-05 Actual	2003-04 Actual
Expense			
Core Business			
Custody, Supervision and Rehabilitative Opportunities for Offenders	138,934	144,979	136,106
Policing and Crime Prevention	178,893	182,550	117,926
Security Services	16,404	16,805	16,196
Victims Programs and Services	12,081	13,482	12,555
Ministry Expense	346,312	357,816	282,783

Custody, Supervision and Rehabilitative Opportunities for Offenders: includes Institutional Services, Community Correctional Services and Purchased Community Services.

Policing and Crime Prevention: includes Provincial Policing Programs, First Nations Policing and Crime Prevention.

Security Services: includes Protection Services and Security Operations.

Victims Programs and Services: includes Financial Benefits, Victims Programs and Criminal Injuries Review Board.

2004-05 Actual Expense by Core Business

	2004-05 Budget	2004-05 Actual	2003-04 Actual
Expense			
Core Business			
Custody, Supervision and Rehabilitative Opportunities for Offenders	138,934	144,979	136,106
Policing and Crime Prevention	178,893	182,550	117,926
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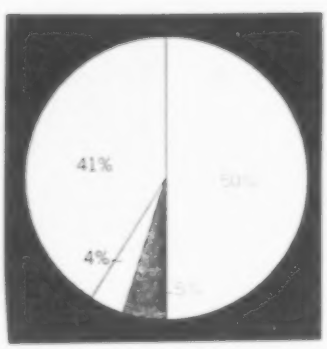
Security Services: includes Protection Services and Security Operations.

Victims Programs and Services: includes Financial Benefits, Victims Programs and Criminal Injuries Review Board.

2004-05 Actual Expense by Core Business



Expenses

Although expenses by core business have been associated with the ministry's goals, there is no supportable basis to enable redistribution of program delivery costs to each goal. Direct program expenses and statutory expenses have been redistributed to the core business. Ministry Support Services have been proportionally allocated to the core businesses.

Comparison of 2004-05 Budget to 2004-05 Actual

Custody Suspension and Rehab Opportunities for Offenders
These variances are the result of Correctional Services having exceeded its $136.4 million operating budget by $5.3 million. Salary settlement and other compensation increases accounted for $5.6 million of the spending increase. This was partially offset by a $0.3 million surplus in other expenditures mainly in contracts and other purchased services. Supplementary funding of $6.2 million was received to offset this shortfall.

Policing and Crime Prevention
Actual costs of $182.6 million for policing and crime prevention exceeded the $178.9 million budget by $3.7 million. Salary settlements and other compensation increases resulted in manpower expenses exceeding the $0.9 million budget by $0.1 million. Policing assistance grants to municipalities exceeded budget by $5.2 million. This was offset by expenditures in other policing programs that were lower than budget by $1.6 million. Supplementary funding of $3.4 million was received to offset these costs.

Security Services
Security services costs of $16.8 million were $0.4 million higher than the $16.4 million budget due to salary settlements and corresponding increases to the vacation liability.

Victims Programs and Services
The victims of crime regulated fund program costs of $13.4 million exceeded the approved budget of $11.8 million by $1.6 million. Approximately $1.3 million of the difference was as a result of increased victims program grants due to MLA committee recommendations. The fund received an approved funding increase of $2.9 million to fund these increased victims program initiatives. The $0.3 million remainder results from awards to individuals being slightly higher than budgeted and new staff being retained due to program growth.

Comparison of 2004-05 Actual to 2003-04 Actual

Custody Suspension and Rehab Opportunities for Offenders
Actual expenditures for custody, supervision and rehabilitative opportunities for offenders of $136.1 million in 2003-04 increased by $8.9 million to $145.0 million in 2004-05 primarily due to Correctional Services expenses having increased by $8.7 million. Manpower costs increased by $5.6 million due to salary settlements and related employer contributions and other general manpower requirements. Other supplies and services costs increased by $3.1 million primarily due to cost and volume increases in areas such as food services, inmate clothing, and other general costs.

Policing and Crime Prevention
Policing and crime prevention expenses increased by $64.6 million to $182.6 million primarily due to $42.2 million expended for a new grant program implemented to assist municipalities better meet the costs of policing service. The remaining variance of $22.4 million was primarily a result of raising the population threshold for provincially paid policing from 2,500 to 5,000, enhancements to the provincial policing service agreement and to organized crime initiatives, as well as the reinstatement of the crime prevention grants.

Security Services
Security services costs increased by $0.6 million to $16.8 million as a result of increased manpower costs due to salary settlements.

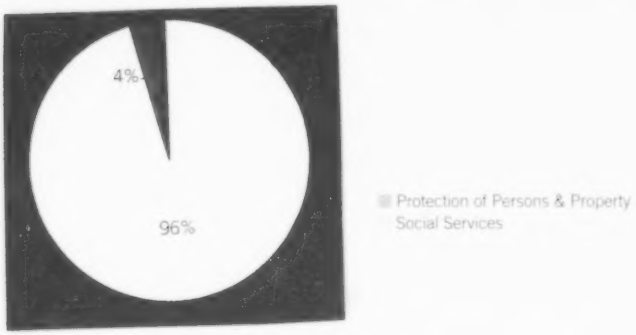
Victims Programs and Services
Expenditures for victim's programs and services increased by $0.9 million as a result of increased victims program grants due to MLA committee recommendations.

	2004-05 Budget	2004-05 Actual	2003-04 Actual
Expense			
Function			
Protection of Persons & Property	334,442	344,574	270,476
Social Services	11,870	13,242	12,307
Ministry Expense	346,312	357,816	282,783

Protection of Persons & Property: Includes expenses for services provided to ensure the security of persons and property through correctional rehabilitation services, policing and other protection of persons and property.

Social Services: Covers actions taken by the government either alone or in co-operation with Albertans, to offset or to forestall situation where the well being of individuals or families is threatened by circumstances beyond their control. This includes the provision of services to victims of crime.

2004-05 ACTUAL EXPENSE BY FUNCTION



Expenses

Protection of Persons and Property includes the Department of the Solicitor General. Social Services includes the Victims of Crime Fund (VOCF).

Comparison of 2004-05 Budget to 2004-05 Actual

Total expenses for the department (protection of persons and property) of $343.9 million exceeded the approved budget by $9.6 million prior to the $9.8 million supplementary funding increase. The manpower budget of $126.2 million was overspent by $6.2 million due to salary settlements and other compensation increases. The approved budget for other expenses of $208.1 million was overspent by $3.4 million due to grant expenditures being higher than anticipated. The vacation pay provision of $0.7 million was $0.6 million over budget due to the salary settlements.

Social services differences are due to the victims of crime regulated fund program costs of $13.4 million exceeding the approved budget of $11.8 million by $1.6 million. Approximately $1.3 million of the difference was as a result of increased victims program grants due to MLA committee recommendations. The fund received an approved funding increase of $2.9 million to fund these increased victims program initiatives. The $0.3 million remainder results from awards to individuals being slightly higher than budgeted and new staff being retained due to program growth.

Comparison of 2004-05 Actual to 2003-04 Actual

Total expenses for protection of persons and property increased by $74.1 million to $343.9 million. Manpower related expenses increased by $7.0 million due to salary settlements and other compensation increases. Supplies and services costs increased by $19.3 million to $160.5 million. The provincial policing agreement and the integrated response to organized crime increased by $13.9 million. The remaining increase was due to an increase in expenses for contracts and other purchased services. Grant costs increased by $47.8 million primarily for a new grant program implemented to assist municipalities better meet the costs of policing service and the integrated response to organized crime.

Social services relate to VOCF expenditures having increased by $1.3 million, primarily as a result of increased victims program grants due to MLA committee recommendations. The estimated liability for outstanding financial benefits applications was $0.3 million.

Financial Statements

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Auditor's Report

AUDITOR GENERAL *Alberta*

To the Members of the Legislative Assembly

I have audited the consolidated statement of financial position of the Ministry of Solicitor General as at March 31, 2005 and the consolidated statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the management of the Ministry. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Ministry as at March 31, 2005 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred J. Dunn, FCA

Auditor General

Edmonton, Alberta
May 20, 2005

Consolidated Statement of Operations

Year Ended March 31, 2005 (in thousands)	2005 Budget (Schedule 3)	2005 Actual	2004 Actual
Revenues (Schedule 1)			
Transfer from the Government of Canada	$ 22,118	$ 21,401	$ 22,498
Investment Income	200	377	287
Fees, Permits and Licences	350	352	349
Other Revenue	17,945	19,282	18,139
	40,613	41,412	41,273
Expenses – Directly Incurred (Note 2b and Schedule 5)			
Voted (Schedule 2)			
Ministry Support Services	6,077	6,331	5,650
Public Security	191,835	195,814	131,062
Correctional Services	136,363	141,706	132,996
	334,275	343,851	269,708
Statutory (Schedule 3)			
Valuation Adjustments			
Provision for Doubtful Accounts	200	(105)	318
Provision for Vacation Pay	67	717	787
	267	612	1,105
Regulated Fund			
Victims of Crime	11,770	13,353	11,970
	346,312	357,816	282,783
Net Operating Results	$ (305,699)	$ (316,404)	$ (241,510)

The accompanying notes and schedules are part of these financial statements.

Consolidated Statement of Financial Position

March 31, 2005 (in thousands)	2005	2004
Assets		
Cash	$ 17,900	$ 11,537
Accounts Receivable (Note 3)	16,286	20,116
Advances	3	4
Tangible Capital Assets (Note 4)	1,752	1,607
	$ 35,941	$ 33,264
Liabilities		
Accounts Payable and Accrued Liabilities	$ 63,603	$ 51,891
Net Liabilities		
Net Liabilities at Beginning of Year	(18,627)	(23,018)
Net Operating Results	(316,404)	(241,510)
Net Transfer from General Revenues	307,369	245,901
Net Liabilities at End of Year	(27,662)	(18,627)
	$ 35,941	$ 33,264

The accompanying notes and schedules are part of these financial statements.

Consolidated Statement of Cash Flow

Year Ended March 31, 2005 (in thousands)	2005	2004
Operating Transactions		
Net Operating Results	$ (316,404)	$ (241,510)
Non-cash items included in Net Operating Results		
Amortization	285	291
Loss on Disposal of Capital Assets	3	-
Valuation Adjustments	612	1,105
	(315,504)	(240,114)
(Increase) Decrease in Accounts Receivable	3,935	(6,287)
(Increase) Decrease in Advances	1	(2)
Increase in Accounts Payable and Accrued Liabilities	10,995	5,065
Cash Applied to Operating Transactions	(300,573)	(241,338)
Capital Transactions		
Acquisition of Tangible Capital Assets	(433)	(101)
Cash Applied to Capital Transactions	(433)	(101)
Financing Transactions		
Net Transfer from General Revenues	307,369	245,901
Increase in Cash	6,363	4,462
Cash, Beginning of Year	11,537	7,075
Cash, End of Year	$ 17,900	$ 11,537

The accompanying notes and schedules are part of these financial statements.

Notes to the Consolidated Financial Statements

Note 1 Authority and Purpose

The Solicitor General has been designated as responsible for various Acts by the *Government Organization Act* and its regulations. To fulfill these responsibilities, the Solicitor General administers the organizations listed below. The authority under which each organization operates is also listed. Together, these organizations form the Ministry of Solicitor General.

Organization	Authority
The Department of Solicitor General	*Government Organization Act*
Victims of Crime Fund	*Victims of Crime Act*

The Ministry's purpose is to serve Albertans by ensuring safe and secure communities through effective policing, security and correctional services and when crime is committed to assist victims of crime.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. These financial statements are prepared in accordance with the following accounting policies that have been established by government for all departments.

(a) Reporting Entity

The reporting entity is the Ministry of Solicitor General for which the Solicitor General is accountable. These financial statements include the activities of the Department of Solicitor General and the Victims of Crime Fund (a regulated fund).

(b) Basis of Financial Reporting

Basis of Consolidation

The accounts of the Department and the Victims of Crime Fund are consolidated after adjusting them to a basis consistent with the accounting policies described below. There were no eliminating entries required to revenue and expense transactions, investing and financing transactions, and related asset and liability accounts between entities within the Ministry.

Revenues

All revenues are reported on the accrual method of accounting. Cash received for which goods or services have not been provided by year-end is recorded as unearned revenue.

Expenses

Directly Incurred

Directly incurred expenses are those costs the Ministry has primary responsibility and accountability for, as reflected in the Government's budget documents.

In addition to program operating expenses like salaries, supplies, etc., directly incurred expenses also include:

- amortization of tangible capital assets.
- pension costs, which comprise the cost of employer contributions for current service of employees during the year.
- valuation adjustments, which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, guarantees and indemnities.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

Incurred by Others

Services incurred by other entities in support of the Ministry's operations are disclosed in Schedule 5.

Assets

Financial assets of the Ministry are limited to financial claims, such as advances to and receivables from other organizations, employees and other individuals.

Assets acquired by right are not included. Tangible capital assets of the Ministry are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is $100,000 and the threshold for all other tangible capital assets is $5,000 (2004 - $15,000).

Liabilities

Liabilities include all financial claims payable by the Ministry at fiscal year end.

Net Liabilities

Net liabilities represent the difference between the carrying value of assets held by the Ministry and its liabilities.

Measurement Uncertainty (in thousands)

Measurement uncertainty exists when there is a significant variance between the amount recognized in the financial statements and another reasonably possible amount. Victims of Crime Fund accounts receivable, recorded as $14,387 (2004 - $13,098) in these financial statements, is subject to measurement uncertainty. These accounts receivable excludes certain outstanding federal statute surcharges and provincial statute fine surcharges that are expected to be satisfied by means other than cash payment. The other means include participation in the fine option program or time served in a correctional institution at the option of the person owing the surcharge. Outstanding surcharges expected to be satisfied by other means of $1,105 (2004 - $1,025) have been deducted from total outstanding surcharges of $14,799 (2004 - $13,499) to arrive at reported revenue and related accounts receivable. The estimate of $1,105 is based on the actual percentage satisfied in this manner from April 1, 2004 to March 31, 2005. Changes in the proportion of surcharges satisfied by other means may have a material effect on future operating results.

Financial benefits under the Victims of Crime Fund recorded as a liability of $3,725 (2004 - $2,184) in these financial statements, is subject to measurement uncertainty.

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of cash, accounts receivable, advances, accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short term nature of these instruments.

Notes to the Consolidated Financial Statements

Note 3 Accounts Receivable (in thousands)

	Gross Amount	2005 Allowance for Doubtful Accounts	Net Realizable Value	2004 Net Realizable Value
Government of Canada	$ 924	$ -	$ 924	$ 5,822
Surcharges	15,085	698	14,387	13,098
Other	975	-	975	1,196
	$ 16,984	$ 698	$ 16,286	$ 20,116

Accounts receivable are unsecured and non-interest bearing.

Note 4 Tangible Capital Assets (in thousands)

	Estimated Useful Life	2005 Cost	2005 Accumulated Amortization	2005 Net Book Value	2004 Net Book Value
Equipment	10 years	$ 6,199	$ 5,082	$ 1,117	$ 1,172
Computer Hardware and Software	5-10 years	730	95	635	435
Total		$ 6,929	$ 5,177	$ 1,752	$ 1,607

Note 5 Contractual Obligations (in thousands)

As at March 31, 2005, the Ministry is committed under contracts, which expire on various dates to March 2012, totaling $459,288 (2004 - $349,774). This includes a commitment for the Provincial Police Service Agreement. The Provincial Police Service Agreement with Canada is a contract for the Royal Canadian Mounted Police to provide policing services to small communities and rural areas in Alberta. The term of this contract is from April 1, 1992 to March 31, 2012. The cost of this police service agreement was estimated at $111,795 (2004 - $101,706). Under the terms of the agreement, Alberta may terminate the agreement with a two-year notice served on March 31, in any year. The commitment, based on the minimum notice period, is estimated to be $417,272 as at March 31, 2005 (2004 - $324,000), which represents payments for policing services until March 31, 2008.

The Ministry leases vehicles under operating leases, which expire on various dates to 2009. The aggregate amounts payable for the unexpired terms of these leases are as follows:

Year	(in thousands)
2006	$ 567
2007	385
2008	145
2009	42
Total	$ 1,139

Note 5 Contractual Obligations (continued) (in thousands)

Proclamation of the *Victims of Crime Act* in 1997 repealed the *Criminal Injuries Compensation Act*, dissolving the Crimes Compensation Board. The Director under the *Victims of Crime Act* assumed administrative responsibility and the Fund assumed financial responsibility for future obligations associated with the former Board's compensation claims. A number of these claims involve a monthly payment for continuing loss of support or income and/or cost of care. These payments are subject to periodic review to confirm continued eligibility for entitlements and/or adjustment to the monthly amount. Recipients are also expected to advise the Fund of any significant change in circumstance or status between review dates.

In March 2005, forty one eligible recipients received a monthly payment (forty three eligible recipients in March 2004). The total estimated amount of all monthly payments to eligible recipients for future years is as follows:

Year	(in thousands)
2006	$ 582
2007	575
2008	575
2009	566
2010	566
2011 and beyond	$ 17,558
Total	$ 20,422

These eligible recipients will continue to be paid in future years if it is determined during the annual review that they continue to meet the eligibility criteria and the payments are approved by the Director.

The Victims of Crime Fund has entered into longer term funding arrangements with organizations for delivery of victim services to communities. These arrangements, subject to satisfaction of reporting and service delivery requirements, are $1,165 in 2005-06 and $367 in 2006-07, and $73 in 2007-08.

Note 6 Contingencies (in thousands)

As at March 31, 2005, the Ministry is a defendant in sixty eight legal claims (2004 – fifty six legal claims). Fifty nine of these claims have specified amounts totaling $48,525 and the remaining nine have no specified amount (2004 – forty four claims with a specified amount of $24,519 and twelve with no specified amount). Included in the total legal claims are three claims amounting to $7,720 (2004 – there was one such claim with no specified amount) in which the Ministry has been jointly named with other entities. Sixty claims amounting to $35,025 (2004 – forty eight claims totaling $22,909) are covered by the Alberta Risk Management Fund.

The resulting loss, if any, from these claims cannot be determined.

Note 7 Financial Benefits (in thousands)

As at March 31, 2005, there were one thousand one hundred and seven (2004 – seven hundred forty-two) active applications for financial benefits with the Victims of Crime program. Sufficient information was received to conclude determinations of eligibility and assess injuries on fifty three applications (2004 – one hundred thirty one). There were one thousand fifty four applications (2004 – six hundred eleven) requiring additional information to make final determinations on individual applications. A liability of $343 (2004 - $617) was recorded for individual applications where sufficient information was received to confirm eligibility and where the amount could be determined under regulations to the *Victims of Crime Act*. An additional estimated liability of $3,725 (2004 - $2,184), subject to variation, was recorded based on historical information for those applications with insufficient information to make final determinations. The total amount accrued for financial benefits included in accounts payable and accrued liabilities amount to $4,068 (2004 - $2,801).

Notes to the Consolidated Financial Statements

Note 8 Trust Funds Under Administration (in thousands)

The Ministry administers trust funds that are regulated funds consisting of public money over which the Legislature has no power of appropriation. Because the Province has no equity in the funds and administers them for the purpose of various trusts, they are not included in the Ministry's financial statements.

Institutional Trust receives and disburses inmate funds used for their personal needs, and inmate welfare funds that are administered on their behalf. As at March 31, 2005, the amount of the trust assets under administration net of trust liabilities held for the Institutional Trust was $92 (2004 –$488). Total trust disbursements exceeded total trust receipts in 2004-2005 by $396 (2004 – receipts exceeded disbursements $61).

Note 9 Payments Under Agreement (in thousands)

The Ministry has an agreement to disburse the provincial share of net forfeitures from proceeds of crime on behalf of Justice Canada. Proceeds received from Canada under this agreement are in accordance with Section 10 of the *Federal Seized Property Management Act* resulting from the investigation efforts by law enforcement agencies in Alberta.

Disbursements to law enforcement agencies and crime and drug prevention organizations under this agreement are made by the Ministry under authority of the *Financial Administration Act*, Section 25. Only the amounts received from Justice Canada and not disbursed are reflected in these financial statements.

Amounts payable to law enforcement agencies and crime and drug prevention organizations under this agreement with Justice Canada, for the year ended March 31, 2005, are $281 (2004 - $119) and are reflected in the Consolidated Statement of Financial Position.

The Ministry also has a funding agreement with the Government of Canada. Costs incurred under this agreement are made by the Ministry under authority of the *Financial Administration Act*, Section 25. Accounts receivable includes $187 for the Youth Justice Renewal Initiative and is reflected in the Consolidated Statement of Financial Position.

Amounts paid under agreements on behalf of program sponsors are as follows:

	2005	2004
Government of Canada – *Youth Criminal Justice Act*	$ -	$ 348
Government of Canada – Youth Justice Renewal Initiative	187	-
	$ 187	$ 348

Notes to the Consolidated Financial Statements

Note 10 Defined Benefit Plans (in thousands)

The Ministry participates in the multi-employer pension plans, Management Employees Pension Plan and Public Service Pension Plan. The Ministry also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of $8,140 for the year ended March 31, 2005 (2004 - $6,738).

At December 31, 2004, the Management Employees Pension Plan reported a deficiency of $268,101 (2003 - $290,014) and the Public Service Pension Plan reported a deficiency of $450,068 (2003 - $584,213). At December 31, 2004, the Supplementary Retirement Plan for Public Service Managers had an actuarial surplus of $9,404 (2003 - $9,312).

The Ministry also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2005, the Bargaining Unit Plan reported an actuarial deficiency of $11,817 (2004 - $9,766) and the Management, Opted Out and Excluded Plan an actuarial surplus of $3,208 (2004 –$1,298). The expense for these two plans is limited to employer's annual contributions for the year.

Note 11 Approval of Financial Statements

The financial statements were approved by the Senior Financial Officer and the Deputy Solicitor General.

Schedule to Consolidated Financial Statements SCHEDULE 1

Revenues

Year Ended March 31, 2005 (in thousands)	2005 Budget	2005 Actual	2004 Actual
Transfer from the Government of Canada			
Young Offenders Program	$ 19,188	$ 18,103	$ 19,542
Federal Inmates Program	2,500	2,561	2,312
Other	430	737	644
	22,118	21,401	22,498
Investment Income – Bank Interest	200	377	287
Fees, Permits and Licences			
Private Investigator Fees	350	352	349
Other Revenue			
Surcharges	17,905	18,718	17,748
Refunds of Expenditures	40	17	180
Miscellaneous	-	547	211
	17,945	19,282	18,139
	$ 40,613	$ 41,412	$ 41,273

SCHEDULE TO CONSOLIDATED FINANCIAL STATEMENTS SCHEDULE 2

EXPENSES – DIRECTLY INCURRED DETAILED BY OBJECT

Year Ended March 31, 2005 (in thousands)	2005 Budget	2005 Actual	2004 Actual
Voted			
Salaries, Wages and Employee Benefits (a)	$ 126,191	$ 132,386	$ 125,323
Supplies and Services (a)	167,010	160,494	141,170
Grants	40,753	50,671	2,875
Financial Transactions and Other	54	56	49
Amortization of Tangible Capital Assets	267	244	291
Total Voted Expenses	$ 334,275	$ 343,851	$ 269,708
Regulated Fund			
Salaries, Wages and Employee Benefits	$ 940	$ 1,166	$ 909
Supplies and Services	530	605	442
Grants	10,232	11,541	10,619
Amortization of Tangible Capital Assets	68	41	-
Total Regulated Fund Expenses	$ 11,770	$ 13,353	$ 11,970

(a) Salaries, wages and employee benefits and supplies and services expenses for Human Resources and Strategic Services programs are shared with the Ministry of Justice, which contributes its own share of expenses. Only the Ministry of Solicitor General portion is disclosed in this Schedule.

Schedule to Consolidated Financial Statements SCHEDULE 3

Budget

Year Ended March 31, 2005 (in thousands)	2004-2005 Estimates	Authorized Supplementary (a)	Treasury Board Authorized (b)	2004-2005 Authorized Budget
Revenues				
Transfer from the Government of Canada	$ 22,118	$ -	$ -	$ 22,118
Investment Income	200	-	-	200
Fees, Permits and Licences	350	-	-	350
Other Revenue	17,945	-	2,900	20,845
	40,613	-	2,900	43,513
Expenses – Directly Incurred				
Voted				
Ministry Support Services	6,077	117	-	6,194
Public Security	191,835	3,379	-	195,214
Correctional Services	136,363	6,281	-	142,644
	334,275	9,777	-	344,052
Statutory				
Valuation Adjustments				
Provision for Doubtful Accounts	200	-	-	200
Provision for Vacation Pay	67	-	-	67
	267	-	-	267
Victims of Crime Fund	11,770	-	2,900	14,670
Total Expenses	346,312	9,777	2,900	358,989
Net Operating Results	$ (305,699)	$ (9,777)	$ -	$ (315,476)
Equipment/Inventory Purchases	$ 150	$ -	$ -	$ 150

(a) Supplementary Estimates were approved on March 14, 2005.

(b) An increase of expenditure of the Victims of Crime Fund was authorized by Treasury Board on July 6, 2004. Treasury Board authorized an increase to the expenditure on the basis of an offsetting increase to revenues of the Victims of Crime Fund.

Schedule to Consolidated Financial Statements SCHEDULE 4

Related Party Transactions

Year Ended March 31, 2005 (in thousands)

Related parties are those entities consolidated or accounted for on a modified equity basis in the Province of Alberta's financial statements. Related parties also include management in the Ministry.

The Ministry and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Ministry had the following transactions with related parties recorded on the Consolidated Statement of Operations and the Consolidated Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	Other Entities	
	2005	2004
Expenses – Directly Incurred		
Alberta Corporate Service Centre	$ 3,664	$ 3,471
Information Technology	702	805
Vehicles (CVO/EVO)	56	58
Air Transportation	3	13
Parking	3	6
	$ 4,428	$ 4,353

The Ministry also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements.

	Other Entities	
	2005	2004
Expenses – Indirectly Incurred by Others		
Accommodation	$ 27,350	$ 27,943
Legal Services	397	943
Other Services	2	-
	$ 27,749	$ 28,886

The Ministry receives services under contracts managed by the Ministry of Restructuring and Government Efficiency, Alberta Corporate Service Centre (ACSC). Any commitments under these contracts are reported by ACSC.

Schedule to Consolidated Financial Statements SCHEDULE 5

Allocated Costs

Year Ended March 31, 2005 (in thousands)	2005						2004
		Expenses - Incurred by Others		Valuation Adjustments (4)			
Program	Expenses (1)	Accommodation Costs (2)	Legal Services (3)	Vacation Pay	Doubtful Accounts	Total Expenses	Total Expenses
Voted:							
Ministry Support Services	$ 6,331	$ 514	$ 37	$ (34)	$ –	$ 6,848	$ 5,775
Public Security	195,814	887	179	27	–	196,907	132,490
Correctional Services	141,706	25,879	180	730	–	168,495	161,035
	343,851	27,280	396	723	–	372,250	299,300
Regulated Fund:							
Victims of Crime	13,353	70	1	(6)	(105)	13,313	12,369
	$ 357,204	$ 27,350	$ 397	$ 717	$ (105)	$ 385,563	$ 311,669

(1) Expenses-Directly Incurred as per Statement of Operations, excluding valuation adjustments. ($357,816 less $717 plus $105 = $357,204)

(2) Costs for Accommodation (includes grants in lieu of taxes) on Schedule 4, allocated by square footage.

(3) Cost shown for Legal Services on Schedule 4, estimated costs incurred by each program.

(4) Valuation Adjustments as per Statement of Operations. Employee Benefits and Doubtful Accounts were allocated as follows:

- Vacation Pay – allocated to the program by employee.
- Doubtful Accounts Provision – estimated allocation to program.

Department of Solicitor General

Financial Statements | Year Ended March 31, 2005

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Auditor's Report

AUDITOR GENERAL *Alberta*

To the Solicitor General

I have audited the statement of financial position of the Department of Solicitor General as at March 31, 2005 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the management of the Depatment. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Depatment as at March 31, 2005 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred J. Dunn, FCA

Auditor General

Edmonton, Alberta
May 20, 2005

Statement of Operations

Year Ended March 31, 2005 (in thousands)	2005 Budget (Schedule 3)	2005 Actual	2004 Actual
Revenues (Schedule 1)			
Transfer from the Government of Canada	$ 22,118	$ 21,401	$ 22,498
Fees, Permits and Licences	350	352	349
Other Revenue	40	564	369
	22,508	22,317	23,216
Expenses – Directly Incurred (Note 2b and Schedule 7)			
Voted (Schedules 2 and 4)			
Ministry Support Services	6,077	6,331	5,650
Public Security	191,835	195,814	131,062
Correctional Services	136,363	141,706	132,996
	334,275	343,851	269,708
Statutory (Schedules 3 and 4)			
Valuation Adjustments			
Provision for Doubtful Accounts	100	-	-
Provision for Vacation Pay	67	723	768
	167	723	768
	334,442	344,574	270,476
Net Operating Results	$ (311,934)	$ (322,257)	$ (247,260)

The accompanying notes and schedules are part of these financial statements.

Statement of Financial Position

March 31, 2005 (in thousands)	2005	2004
Assets		
Cash	$ 24	$ 24
Accounts Receivable (Note 3)	1,899	7,018
Advances	3	4
Tangible Capital Assets (Note 4)	1,348	1,295
	$ 3,274	$ 8,341
Liabilities		
Accounts Payable and Accrued Liabilities	$ 58,443	$ 48,622
Net Liabilities		
Net Liabilities at Beginning of Year	(40,281)	(38,922)
Net Operating Results	(322,257)	(247,260)
Net Transfer from General Revenues	307,369	245,901
Net Liabilities at End of Year	(55,169)	(40,281)
	$ 3,274	$ 8,341

The accompanying notes and schedules are part of these financial statements.

Statement of Cash Flows

March 31, 2005 (in thousands)	2005	2004
Operating Transactions		
Net Operating Results	$ (322,257)	$ (247,260)
Non-cash items included in Net Operating Results		
Amortization	244	291
Loss on Disposal of Capital Assets	3	-
Valuation Adjustments	723	768
	(321,287)	(246,201)
Decrease (Increase) in Accounts Receivable	5,119	(3,554)
Decrease (Increase) in Advances	1	(2)
Increase in Accounts Payable and Accrued Liabilities	9,098	3,900
Cash Applied to Operating Transactions	(307,069)	(245,857)
Capital Transactions		
Acquisition of Tangible Capital Assets	(300)	(44)
Cash Applied to Capital Transactions	(300)	(44)
Financing Transactions		
Net Transfer from General Revenues	307,369	245,901
Decrease in Cash	-	-
Cash, Beginning of Year	24	24
Cash, End of Year	$ 24	$ 24

The accompanying notes and schedules are part of these financial statements.

Notes to the Financial Statements

Note 1 Authority and Purpose

The Department of Solicitor General operates under the authority of the *Government Organization Act*, Chapter G-10, Revised Statutes of Alberta 2000.

The Department's purpose is to serve Albertans by ensuring safe and secure communities through effective policing, security and correctional services.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. These financial statements are prepared in accordance with the following accounting policies that have been established by government for all departments.

a) Reporting Entity

The reporting entity is the Department of Solicitor General, which is part of the Ministry of Solicitor General and for which the Solicitor General is accountable. Other entities reporting to the Minister include the Victims of Crime Fund (a regulated fund). The activities of this organization are not included in these financial statements. The Ministry Annual Report provides a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Solicitor General is accountable.

All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the Minister of Finance. All cash receipts of departments are deposited into the Fund and all cash disbursements made by departments are paid from the Fund. Net transfer from General Revenues is the difference between all cash receipts and all cash disbursements made.

b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual method of accounting. Cash received for which goods or services have not been provided by year-end is recorded as unearned revenue.

Expenses

Directly Incurred

Directly incurred expenses are those costs the Department has primary responsibility and accountability for, as reflected in the Government's budget documents.

In addition to program operating expenses like salaries, supplies, etc., directly incurred expenses include:

- amortization of tangible capital assets.
- pension costs, which comprise the cost of employer contributions for current service of employees during the year.
- valuation adjustments, which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, guarantees and indemnities.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

Incurred by Others

Services contributed by other entities in support of the Department's operations are disclosed in Schedule 7.

Assets

Financial assets of the Department are limited to financial claims, such as advances to and receivables from other organizations, employees and other individuals.

Assets acquired by right are not included. Tangible capital assets of the Department are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is $100,000 and the threshold for all other tangible capital assets is $5,000 (2004 - $15,000).

Liabilities

Liabilities represent all financial claims payable by the Department at fiscal year end.

Net Liabilities

Net liabilities represent the difference between the carrying value of assets held by the Department and its liabilities.

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of cash, accounts receivable, advances, accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short term nature of these instruments.

Note 3 Accounts Receivable (in thousands)

	2005			2004
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Government of Canada	$ 924	$ -	$ 924	$ 5,822
Other	975	-	975	1,196
	$ 1,899	$ -	$ 1,899	$ 7,018

Accounts receivable are unsecured and non-interest bearing.

Notes to the Financial Statements

Note 4 Tangible Capital Assets (in thousands)

	Estimated Useful Life	2005 Cost	2005 Accumulated Amortization	2005 Net Book Value	2004 Net Book Value
Equipment	10 years	$ 6,199	$ 5,082	$ 1,117	$ 1,172
Computer Hardware and Software	5-10 years	285	54	231	123
Total		$ 6,484	$ 5,136	$ 1,348	$ 1,295

Note 5 Contractual Obligations (in thousands)

As at March 31, 2005, the Department is committed under contracts, which expire on various dates to March 2012, totaling $459,288 (2004 - $349,774). This includes a commitment for the Provincial Police Service Agreement. The Provincial Police Service Agreement with Canada is a contract for the Royal Canadian Mounted Police to provide policing services to small communities and rural areas in Alberta. The term of this contract is from April 1, 1992 to March 31, 2012. The cost of this police service agreement was estimated at $111,795 (2004 - $101,706). Under the terms of the agreement, Alberta may terminate the agreement with a two-year notice served on March 31, in any year. The commitment, based on the minimum notice period, is estimated to be $417,272 as at March 31, 2005 (2004 - $324,000), which represents payments for policing services until March 31, 2008.

The Department leases vehicles under operating leases, which expire on various dates to 2009. The aggregate amounts payable for the unexpired terms of these leases are as follows:

Year	(in thousands)
2006	$ 567
2007	385
2008	145
2009	42
Total	$ 1,139

Note 6 Contingencies (in thousands)

As at March 31, 2005, the Department is a defendant in sixty eight legal claims (2004 – fifty six legal claims). Fifty nine of these claims have specified amounts totaling $48,525 and the remaining nine have no specified amount (2004 – forty four claims with a specified amount of $24,519 and twelve with no specified amount). Included in the total legal claims are three claims amounting to $7,720 (2004 – one claim with no specific amount) in which the Department was jointly named with other entities. Sixty claims amounting to $35,025 (2004 – forty eight claims totaling $22,909) are covered by the Alberta Risk Management Fund.

The resulting loss, if any, from these claims cannot be determined.

Notes to the Financial Statements

Note 7 Trust Funds Under Administration (in thousands)

The Department administers trust funds that are regulated funds consisting of public money over which the Legislature has no power of appropriation. Because the Province has no equity in the funds and administers them for the purpose of various trusts, they are not included in the Department's financial statements.

Institutional Trust receives and disburses inmate funds used for their personal needs, and inmate welfare funds that are administered on their behalf. As at March 31, 2005, the amount of the trust assets under administration net of trust liabilities held for the Institutional Trust was $92 (2004 - $488). Total trust disbursements exceeded total trust receipts in 2004-2005 by $396 (2004 receipts exceeded disbursements $61).

Note 8 Payments Under Agreement (in thousands)

The Department has an agreement to disburse the provincial share of net forfeitures from proceeds of crime on behalf of Justice Canada. Proceeds received from Canada under this agreement are in accordance with Section 10 of the *Federal Seized Property Management Act* resulting from the investigation efforts by law enforcement agencies in Alberta.

Disbursements to law enforcement agencies and crime and drug prevention organizations under this agreement are made by the Department under authority of the *Financial Administration Act*, Section 25. Only the amounts received from Justice Canada and not disbursed are reflected in these financial statements.

Amounts payable to law enforcement agencies and crime and drug prevention organizations under this agreement with Justice Canada, for the year ended March 31, 2005, are $281 (2004 - $119) and are reflected in the Statement of Financial Position.

The Department also has a funding agreement with the Government of Canada. Costs incurred under this agreement are made by the Department under authority of the *Financial Administration Act*, Section 25. Accounts receivable includes $187 for the Youth Justice Renewal Initiative and is reflected in the Statement of Financial Position.

Amounts paid under agreements on behalf of program sponsors are as follows:

	2005	2004
Government of Canada – *Youth Criminal Justice Act*	$ -	$ 348
Government of Canada – Youth Justice Renewal Initiative	187	-
	$ 187	$ 348

Notes to the Financial Statements

Note 9 Defined Benefit Plans (in thousands)

The Department participates in the multi-employer pension plans, Management Employees Pension Plan and Public Service Pension Plan. The Department also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of $8,061 for the year ended March 31, 2005 (2004 - $6,670).

At December 31, 2004, the Management Employees Pension Plan reported a deficiency of $268,101 (2003 - $290,014) and the Public Service Pension Plan reported a deficiency of $450,068 (2003 - $584,213). At December 31, 2004, the Supplementary Retirement Plan for Public Service Managers had an actuarial surplus of $9,404 (2003 - $9,312).

The Department also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2005, the Bargaining Unit Plan reported an actuarial deficiency of $11,817 (2004 - $9,766) and the Management, Opted Out and Excluded Plan an actuarial surplus of $3,208 (2004 –$1,298). The expense for these two plans is limited to employer's annual contributions for the year.

Note 10 Approval of Financial Statements

The financial statements were approved by the Senior Financial Officer and the Deputy Solicitor General.

Schedule to Financial Statements SCHEDULE 1

Revenues

Year Ended March 31, 2005 (in thousands)	2005 Budget	2005 Actual	2004 Actual
Transfer from the Government of Canada			
Young Offenders Program	$ 19,188	$ 18,103	$ 19,542
Federal Inmates Program	2,500	2,561	2,312
Other	430	737	644
	22,118	21,401	22,498
Fees, Permits and Licences			
Private Investigator Fees	350	352	349
Other Revenue			
Refunds of Expenditure	40	17	158
Miscellaneous	-	547	211
	40	564	369
	$ 22,508	$ 22,317	$ 23,216

Schedule to Financial Statements SCHEDULE 2

Expenses – Directly Incurred Detailed by Object

Year Ended March 31, 2005 (in thousands)	2005 Budget	2005 Actual	2004 Actual
Voted			
Salaries, Wages and Employee Benefits (a)	$ 126,191	$ 132,386	$ 125,323
Supplies and Services (a)	167,010	160,494	141,170
Grants	40,753	50,671	2,875
Financial Transactions and Other	54	56	49
Amortization of Tangible Capital Assets	267	244	291
Total Voted Expenses	$ 334,275	$ 343,851	$ 269,708

(a) Salaries, wages and employee benefits and supplies and services expenses for Human Resources and Strategic Services programs are shared with the Ministry of Justice, which contributes its own share of expenses. Only the Department of Solicitor General portion is disclosed in this schedule.

Schedule to Financial Statements SCHEDULE 3

Budget

Year Ended March 31, 2005 (in thousands)	2004-2005 Estimates	Authorized Supplementary (a)	2004-2005 Authorized Budget
Revenues			
Transfer from the Government of Canada	$ 22,118	$ -	$ 22,118
Fees, Permits and Licences	350	-	350
Other Revenue	40	-	40
	22,508	-	22,508
Expenses – Directly Incurred			
Voted			
Ministry Support Services	6,077	117	6,194
Public Security	191,835	3,379	195,214
Correctional Services	136,363	6,281	142,644
	334,275	9,777	344,052
Statutory			
Valuation Adjustments			
Provision for Doubtful Accounts	100	-	100
Provision for Vacation Pay	67	-	67
	167	-	167
Total Expenses	334,442	9,777	344,219
Net Operating Results	$ (311,934)	$ (9,777)	$ (321,711)
Equipment/Inventory Purchases	$ 150	$ -	$ 150

(a) Supplementary Estimates were approved on March 14, 2005.

Schedule to Financial Statements SCHEDULE 4

Comparison of Expenses - Directly Incurred, Equipment/Inventory Purchases and Statutory Expenses by Element to Authorized Budget

DEPARTMENT SUMMARY

Year Ended March 31, 2005 (in thousands)

Program	2004-2005 Estimates	Authorized Supplementary (a)	2004-2005 Authorized Budget	2004-2005 Actual Expense (b)	Unexpended (Over Expended)
Voted Operating and Equipment/ Inventory Purchases					
1 Ministry Support Services	$ 6,077	$ 117	$ 6,194	$ 6,435	$ (241)
2 Public Security	191,835	3,379	195,214	195,825	(611)
3 Correctional Services	136,513	6,281	142,794	141,891	903
	$ 334,425	$ 9,777	$ 344,202	$ 344,151	$ 51
Operating Expense	$ 334,275	$ 9,777	$ 344,052	$ 343,851	$ 201
Equipment/Inventory Purchases	150	-	150	300	(150)
	$ 334,425	$ 9,777	$ 344,202	$ 344,151	$ 51
Statutory Expenses					
Valuation Adjustments	$ 167	$ -	$ 167	$ 723	$ (556)
	$ 167	$ -	$ 167	$ 723	$ (556)

(a) Supplementary Estimates were approved on March 14, 2005.
(b) Includes achievement bonus amounting to $1,175.

Schedule to Financial Statements SCHEDULE 4 (CONTINUED)

Comparison of Expenses - Directly Incurred, Equipment/Inventory Purchases and Statutory Expenses by Element to Authorized Budget

PROGRAM 1 – MINISTRY SUPPORT SERVICES

Year Ended March 31, 2005 (in thousands)

	Program	2004-2005 Estimates	Authorized Supplementary (a)	2004-2005 Authorized Budget	2004-2005 Actual Expense (b)	Unexpended (Over Expended)
1.0.1	Minister's Office	$ 336	$ -	$ 336	$ 333	$ 3
1.0.2	Deputy Minister's Office	485	-	485	667	(182)
1.0.3	Communications	361	-	361	343	18
1.0.4	Strategic Services					
	Operating Expenses	3,824	97	3,921	3,631	290
	Equipment/Inventory Purchases	-	-	-	104	(104)
1.0.5	Human Resources	1,066	20	1,086	1,342	(256)
1.0.6	Amortization of Tangible Capital Assets	5	-	5	15	(10)
Total Program		$ 6,077	$ 117	$ 6,194	$ 6,435	$ (241)

(a) Supplementary Estimates were approved on March 14, 2005.
(b) Includes achievement bonus amounting to $1,175.

Comparison of Expenses - Directly Incurred, Equipment/Inventory Purchases and Statutory Expenses by Element to Authorized Budget

PROGRAM 2 - PUBLIC SECURITY

Year Ended March 31, 2005 (in thousands)

Program	2004-2005 Estimates	Authorized Supplementary (a)	2004-2005 Authorized Budget	2004-2005 Actual Expense (b)	Unexpended (Over Expended)
2.1 Program Support					
2.1.1 Program Support Services	$ 1,742	$ 22	$ 1,764	$ 1,787	$ (23)
2.1.2 Law Enforcement Review Board	187	2	189	169	20
2.1.3 Amortization of Tangible Capital Assets	98	-	98	91	7
Total Sub-program	2,027	24	2,051	2,047	4
2.2 Policing Programs					
2.2.1 Crime Prevention	1,676	5	1,681	1,577	104
2.2.2 Provincial Policing Programs	125,906	2,920	128,826	127,847	979
2.2.3 First Nations Policing	6,458	-	6,458	5,845	613
2.2.4 Policing Assistance to Municipalities	37,044	-	37,044	42,245	(5,201)
2.2.5 Special Policing Assistance	2,800	-	2,800	-	2,800
Total Sub-program	173,884	2,925	176,809	177,514	(705)
2.3 Security Services Branch					
2.3.1 Protection Services					
Operating Expenses	4,771	83	4,854	4,645	209
Equipment/Inventory Purchases	-	-	-	11	(11)
2.3.2 Security Operations	11,153	347	11,500	11,608	(108)
Total Sub-program	15,924	430	16,354	16,264	90
Total Program	$ 191,835	$ 3,379	$ 195,214	$ 195,825	$ (611)

(a) Supplementary Estimates were approved on March 14, 2005.
(b) Includes achievement bonus amounting to $1,175.

Comparison of Expenses - Directly Incurred, Equipment/Inventory Purchases and Statutory Expenses by Element to Authorized Budget

PROGRAM 3 – CORRECTIONAL SERVICES

Year Ended March 31, 2005 (in thousands)

	Program	2004-2005 Estimates	Authorized Supplementary (a)	2004-2005 Authorized Budget	2004-2005 Actual Expense (b)	Unexpended (Over Expended)
3.1	**Program Support**					
3.1.1	Program Support Services					
	Operating Expenses	$ 6,350	$ 400	$ 6,750	$ 6,609	$ 141
	Equipment/Inventory Purchases	-	-	-	14	(14)
3.1.2	Amortization of Tangible Capital Assets	164	-	164	138	26
	Total Sub-program	6,514	400	6,914	6,761	153
3.2	**Institutional Services**					
3.2.1	Adult Remand and Correctional Centres					
	Operating Expenses	78,983	5,031	84,014	88,132	(4,118)
	Equipment/Inventory Purchases	150	-	150	119	31
3.2.2	Young Offender Centres					
	Operating Expenses	19,408	400	19,808	19,283	525
	Equipment/Inventory Purchases	-	-	-	52	(52)
	Total Sub-program	98,541	5,431	103,972	107,586	(3,614)
3.3	**Community Correctional Services**					
3.3.1	Community Corrections	16,175	375	16,550	16,961	(411)
3.3.2	Young Offender Services	5,486	75	5,561	3,879	1,682
	Total Sub-program	21,661	450	22,111	20,840	1,271
3.4	**Purchased Community Services**					
3.4.1	Community Residential Centres	6,090	-	6,090	3,563	2,527
3.4.2	Community Service Contracts	3,707	-	3,707	3,141	566
	Total Sub-program	9,797	-	9,797	6,704	3,093
Total Program		$ 136,513	$ 6,281	$ 142,794	$ 141,891	$ 903

(a) Supplementary Estimates were approved on March 14, 2005.
(b) Includes achievement bonus amounting to $1,175.

Schedule to Finangial Statements · schedule 5

Salary and Benefits Disclosure

Year Ended March 31, 2005	2005				2004
	Base Salary[1]	Other Cash Benefits[2]	Other Non Cash Benefits[3]	Total	Total
Deputy Minister (4) (5)	$ 159,568	$ 116,548	$ 16,489	$ 292,605	$ 212,148
Assistant Deputy Minister, Correctional Services	132,216	19,436	26,172	177,824	176,234
Assistant Deputy Minister, Public Security	132,216	19,436	26,039	177,691	176,186
Assistant Deputy Minister, Strategic Services (6)	142,132	21,380	27,185	190,697	175,641
Executive Director, Human Resources (6)	118,826	19,436	23,987	162,249	146,025

Prepared in accordance with Treasury Board Directive 03/2004.

Total salary and benefits relating to a position are disclosed.

(1) Base salary includes regular base pay.

(2) Other cash benefits includes bonuses, vacation payouts, overtime and lump sum payments.

(3) Other non-cash benefits include the government's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, group life insurance, short and long term disability plans, professional memberships and tuition fees.

(4) Automobile provided, no dollar amount included in benefits and allowances.

(5) The position was occupied by two individuals through the year. This position was occupied until December 1, 2004, at which time it was assumed by another individual.

(6) The incumbents' services are shared with the Ministry of the Justice, which contributes its own share of the cost of salary and benefits. Full salary and benefits are disclosed in this Schedule.

Schedule to Financial Statements SCHEDULE 6

Related Party Transactions

Year Ended March 31, 2005 (in thousands)

Related parties are those entities consolidated or accounted for on a modified equity basis in the Province of Alberta's financial statements. Related parties also include management in the Department.

The Department and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Department had the following transactions with related parties recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	Other Entities	
	2005	2004
Expenses – Directly Incurred		
Alberta Corporate Service Centre	$ 3,656	$ 3,464
Information Technology	702	796
Vehicles (CVO/EVO)	56	58
Air Transportation	3	13
Parking	3	6
	$ 4,420	$ 4,337

The Department also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements.

	Other Entities	
	2005	2004
Expenses – Incurred by Others		
Accommodation	$ 27,280	$ 27,887
Legal Services	396	937
Other Services	2	-
	$ 27,678	$ 28,824

The Department receives services under contracts managed by the Ministry of Restructuring and Government Efficiency, Alberta Corporate Service Centre (ACSC). Any commitments under these contracts are reported by ACSC.

Schedule to Financial Statements SCHEDULE 7

Allocated Costs

Year Ended March 31, 2005 (in thousands)	2005						2004
		Expenses - Incurred by Others		Valuation Adjustments (4)			
Program	Expenses (1)	Accommodation Costs (2)	Legal Services (3)	Vacation Pay	Doubtful Accounts	Total Expenses	Total Expenses (Note 3)
Ministry Support Services	$ 6,331	$ 514	$ 37	$ (34)	$ -	$ 6,848	$ 5,775
Public Security	195,814	887	179	27	-	196,907	132,490
Correctional Services	141,706	25,879	180	730	-	168,495	161,035
	$ 343,851	$ 27,280	$ 396	$ 723	$ -	$ 372,250	$ 299,300

(1) Expenses-Directly Incurred as per Statement of Operations, excluding valuation adjustments. ($344,574 less $723 = $343,851).

(2) Costs for Accommodation (includes grants in lieu of taxes) on Schedule 6, allocated by square footage.

(3) Cost shown for Legal Services on Schedule 6, estimated costs incurred by each program.

(4) Valuation Adjustments as per Statement of Operations. Employee Benefits for vacation pay was allocated to the program by employee.

Victims of Crime Fund

Financial Statements | Year Ended March 31, 2005

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Auditor's Report

AUDITOR GENERAL *Alberta*

To the Solicitor General

I have audited the statement of financial positions of the Victims of Crime Fund as at March 31, 2005 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Fund's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2005 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred J. Dunn, FCA

Auditor General

Edmonton, Alberta
May 20, 2005

Statement of Operations

Year Ended March 31, 2005 (in thousands)	2005 Budget (Schedule 1)	2005 Actual	2004 Actual
Revenues			
Investment Income			
Bank Interest	$ 200	$ 377	$ 287
Other Revenue			
Federal Surcharge	1,500	835	992
Provincial Fine Surcharge	16,405	17,795	16,756
Expenditure Refunds	-	88	22
	18,105	19,095	18,057
Expenses – Directly Incurred (Notes 2b and 10)			
Program Costs			
Financial Benefits	8,880	9,024	9,133
Victims Programs	2,346	3,618	2,283
Criminal Injuries Review Board	286	316	279
Administration	258	395	275
	11,770	13,353	11,970
Valuation Adjustments			
Provision for Doubtful Accounts	100	(105)	318
Provision for Vacation Pay	-	(6)	19
	100	(111)	337
	11,870	13,242	12,307
Net Operating Results	$ 6,235	$ 5,853	$ 5,750

The accompanying notes and schedules are part of these financial statements.

STATEMENT OF FINANCIAL POSITION

March 31, 2005 (in thousands)	2005	2004
Assets		
Cash (Note 3)	$ 17,876	$ 11,513
Accounts Receivable (Note 4)	14,387	13,098
Tangible Capital Assets (Note 5)	404	312
	$ 32,667	$ 24,923
Liabilities		
Accounts Payable and Accrued Liabilities	$ 5,160	$ 3,269
Net Assets (Note 2b)		
Net Assets at Beginning of Year	21,654	15,904
Net Operating Results	5,853	5,750
Net Assets at End of Year	27,507	21,654
	$ 32,667	$ 24,923

The accompanying notes and schedules are part of these financial statements.

Statement of Cash Flow

Year Ended March 31, 2005 (in thousands)	2005	2004
Operating Transactions		
Net Operating Results	$ 5,853	$ 5,750
Amortization	41	-
Valuation Adjustments	(111)	337
Increase in Accounts Receivable	(1,184)	(2,733)
Increase in Accounts Payable and Accrued Liabilities	1,897	1,165
Cash Provided by Operating Transactions	6,496	4,519
Capital Transactions		
Acquisition of Tangible Capital Assets	(133)	(57)
Cash applied to Capital Transactions	(133)	(57)
Increase in Cash	6,363	4,462
Cash, Beginning of Year	11,513	7,051
Cash, End of Year	$ 17,876	$ 11,513

The accompanying notes and schedules are part of these financial statements.

Notes to the Financial Statements

Note 1 Authority and Purpose

The Victims of Crime Fund (the "Fund"), a regulated fund held and administered by the Minister of Finance, operates under the authority of the *Victims of Crime Act*, Chapter V-3, Revised Statutes of Alberta 2000. The Solicitor General is responsible for the Fund under the authority of the *Government Organization Act*, Statutes of Alberta.

The purpose of the Fund is to provide grants to victims' programs and to pay benefits to victims, or their dependants, who suffer injury or death as the result of a criminal offence specified in the regulations of the *Victims of Crime Act*, using provincial and federal fine surcharge revenues.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. These financial statements are prepared in accordance with the following accounting policies.

a) Reporting Entity

The reporting entity is the Victims of Crime Fund, which is part of the Ministry of Solicitor General and for which the Solicitor General is accountable.

b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual method of accounting.

Expenses

Directly Incurred

Directly incurred expenses are those costs the Fund has primary responsibility and accountability for. Expenses represent the costs of the victims program, the costs of the financial benefits program and administration costs. Grants are recorded as expenses when approved by the Solicitor General and all terms and conditions of eligibility for payment have been met. Financial benefits are recorded as an expense when the obligation to pay is likely and the amount payable on applications submitted can be reasonably estimated. In addition to program operating expenses like salaries, supplies etc., directly incurred expenses also include:

- pension costs, which comprise the cost of employer contributions for current service of employees during the year.
- valuation adjustments, which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, guarantees and indemnities.

Incurred by Others

Services incurred by other entities in support of the Fund's operations are disclosed in Schedule 3.

Assets

Financial assets of the Fund are limited to cash and accounts receivable.

Tangible capital assets of the Fund are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new system development is $100,000 and the threshold for all other tangible capital assets is $5,000 (2004- $15,000).

Liabilities

Liabilities represent all financial claims payable by the Fund at fiscal year end.

Notes to the Financial Statements

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

Net Assets

Net assets represent the difference between the carrying value of assets held by the Fund and its liabilities.

Measurement Uncertainty (in thousands)

Measurement uncertainty exists when there is a significant variance between the amount recognized in the financial statements and another reasonably possible amount. Accounts receivable, recorded as $14,387 (2004 - $13,098) in these financial statements, is subject to measurement uncertainty. Victims of Crime Fund accounts receivable excludes certain outstanding federal statute surcharges and provincial statute fine surcharges that are expected to be satisfied by means other than cash payment. The other means include participation in the fine option program or time served in a correctional institution at the option of the person owing the surcharge. Outstanding surcharges expected to be satisfied by other means of $1,105 (2004 - $1,025) have been deducted from total outstanding surcharges of $14,799 (2004 - $13,499) to arrive at reported revenue and related accounts receivable. The estimate of $1,105 is based on the actual percentage satisfied in this manner from April 1, 2004 to March 31, 2005. Changes in the proportion of surcharges satisfied by other means may have a material effect on future operating results.

Financial benefits under the Victims of Crime Fund recorded as a liability of $3,725 (2004 - $2,184) in these financial statements, is subject to measurement uncertainty.

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of cash, accounts receivable, accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short term nature of these instruments.

Note 3 Cash

Cash consists of deposits in the Consolidated Cash Investment Trust Fund (CCITF) of the Province of Alberta. CCITF is being managed with the objective of providing competitive interest income to depositors while maintaining maximum security and liquidity of depositors' capital. The portfolio is comprised of high-quality short-term and mid-term fixed income securities with a maximum term to maturity of three years. The Fund earns interest on its daily cash balance at the average rate of earnings of the CCITF, which may vary depending on prevailing market interest rates.

Note 4 Accounts Receivable (in thousands)

	2005			2004
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Surcharge				
Provincial	$ 12,989	$ 332	$ 12,657	$ 11,472
Federal	2,096	366	1,730	1,626
Accounts Receivable	$ 15,085	$ 698	$ 14,387	$ 13,098

Accounts receivable are unsecured and non-interest bearing.

Notes to the Financial Statements

Note 5 Tangible Capital Assets (in thousands)

	Estimated Useful Life	2005 Cost	2005 Accumulated Amortization	2005 Net Book Value	2004 Net Book Value
Computer Hardware and Software	5-10 years	$ 445	$ 41	$ 404	$ 312
Total		$ 445	$ 41	$ 404	$ 312

The Victims Assistance Status Tracking System (VAST) was placed in service in the fiscal year 2004-2005. The Victim Electronic Grants Application System (VEGAS) is being developed to replace the existing stand-alone Microsoft ACCESS database with a client server and a centralized database that can be accessed by many users. Expected date for VEGAS to be put into service is the 2005-2006 fiscal year. The amount capitalized during 2004-2005 for the development of VEGAS is $31.

Note 6 Contractual Obligations (in thousands)

Proclamation of the *Victims of Crime Act* in 1997 repealed the *Criminal Injuries Compensation Act*, dissolving the Crimes Compensation Board. The Director under the *Victims of Crime Act* assumed the administrative responsibility and the Fund assumed financial responsibility for future obligations associated with the former Board's compensation claims. A number of these claims involve a monthly payment for continuing loss of support or income and/or cost of care. These payments are subject to periodic review to confirm continued eligibility for entitlements and/or adjustment to the monthly amount. Recipients are also expected to advise the Fund of any significant change in circumstance or status between review dates.

In March 2005, forty one eligible recipients received a monthly payment (forty three eligible recipients in March 2004). The estimated amount of all payments to eligible recipients for future years is as follows:

Year	(in thousands)
2006	$ 582
2007	575
2008	575
2009	566
2010	566
2011 and beyond	17,558
Total	$ 20,422

These eligible recipients will continue to be paid in future years if it is determined during the annual review that they continue to meet the eligibility criteria and the payments are approved by the Director.

Note 7 Victims Programs (in thousands)

The Fund has entered into longer term funding arrangements with organizations for delivery of victim services to communities. These arrangements, subject to satisfaction of reporting and service delivery requirements, are $1,165 in 2005-06, $367 in 2006-07, and $73 in 2007-08.

Notes to the Financial Statements

Note 8 Financial Benefits (in thousands)

As at March 31, 2005, there were one thousand one hundred and seven (2004 – seven hundred forty two) active applications for financial benefits with the Victims of Crime program. Sufficient information was received to conclude determinations of eligibility and assess injuries on fifty three applications (2004 – one hundred thirty one). There were one thousand fifty four applications (2004 – six hundred eleven) requiring additional information to make final determinations on individual applications. A liability of $343 (2004 - $617) was recorded for individual applications where sufficient information was received to confirm eligibility and where the amount could be determined under regulations to the *Victims of Crime Act*. An additional estimated liability of $3,725 (2004 - $2,184), subject to variation, was recorded based on historical information for those applications with insufficient information to make final determinations. The total amount accrued for financial benefits included in accounts payable and accrued liabilities amount to $4,068 (2004 - $2,801).

Note 9 Defined Benefit Plans (in thousands)

The Fund participates in the multi-employer pension plans, Management Employees Pension Plan and Public Service Pension Plan. The Fund also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of $79 for the year ended March 31, 2005 (2004 - $68).

At December 31, 2004, the Management Employees Pension Plan reported a deficiency of $268,101 (2003 - $290,014) and the Public Service Pension Plan reported a deficiency of $450,068 (2003 - $584,213). At December 31, 2004, the Supplementary Retirement Plan for Public Service Managers had an actuarial surplus of $9,404 (2003 - $9,312).

The Fund also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2005, the Bargaining Unit Plan reported an actuarial deficiency of $11,817 (2004 - $9,766) and the Management, Opted Out and Excluded Plan an actuarial surplus of $3,208 (2004 – $1,298). The expense for these two plans is limited to employer's annual contributions for the year.

Note 10 Expenses – Directly Incurred Detailed by Object (in thousands)

	2005 Budget	2005 Actual	2004 Actual
Salaries, Wages and Employee Benefits	$ 940	$ 1,166	$ 909
Supplies and Services	530	605	442
Grants	10,232	11,541	10,619
Amortization	68	41	-
Total Fund Expenses	$ 11,770	$ 13,353	$ 11,970

Note 11 Salary and Benefits Disclosure

Salary and benefits disclosure pursuant to Treasury Board Directive 03/2004 is not included as management decisions on the Fund are made by Senior Officials of the Department of Solicitor General.

Note 12 Approval of Financial Statements

The financial statements were approved by the Senior Financial Officer and the Deputy Solicitor General.

Schedule to Financial Statements SCHEDULE 1

Comparison of Expenses Directly Incurred and Equipment/Inventory Purchases and Statutory Expenses by Element to Authorized Budget

Year Ended March 31, 2005 (in thousands)

Program	2004-2005 Budget	Treasury Board Authorized (a)	2004-2005 Authorized Budget	2004-2005 Actual Expense	Unexpended (Over Expended)
Expenses					
1 Financial Benefits	$ 8,880	$ -	$ 8,880	$ 9,024	$ (144)
2 Victims Programs	2,346	2,900	5,246	3,618	1,628
3 Criminal Injuries Review Board	286	-	286	316	(30)
4 Administration	258	-	258	395	(137)
	$ 11,770	$ 2,900	$ 14,670	$ 13,353	$ 1,317
Operating Expense	$ 11,770	$ 2,900	$ 14,670	$ 13,353	$ 1,317
Equipment/Inventory Purchases	-	-	-	133	(133)
	$ 11,770	$ 2,900	$ 14,670	$ 13,486	$ 1,184
Statutory Expenses					
Valuation Adjustments	$ 100	$ -	$ 100	$ (111)	$ 211
	$ 100	$ -	$ 100	$ (111)	$ 211

(a) An increase to the expenditure of the Fund was authorized by Treasury Board. Treasury Board authorized an increase to the expenditure on the basis of an offsetting decrease to the Fund.

Schedule to Financial Statements SCHEDULE 2

Related Party Transactions

Year Ended March 31, 2005 (in thousands)

Related parties are those entities consolidated or accounted for on a modified equity basis in the Province of Alberta's financial statements. Related parties also include management of the Fund.

The Fund and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Fund had the following transactions with related parties recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	Other Entities	
	2005	2004
Expenses – Directly Incurred		
Information Technology	$ -	$ 9
Alberta Corporate Service Centre	8	7
	$ 8	$ 16

The Fund also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements but are disclosed in Schedule 3.

	Other Entities	
	2005	2004
Expenses – Incurred by Others		
Accommodation	$ 70	$ 56
Legal Services	1	6
	$ 71	$ 62

The Fund receives services under contracts managed by the Ministry of Restructuring and Government Efficiency, Alberta Corporate Service Centre (ACSC). Any commitments under these contracts are reported by ACSC.

Schedule to Financial Statements SCHEDULE 3

Allocated Costs

Year Ended March 31, 2005 (in thousands)	2005						2004
		Expenses - Incurred by Others		Valuation Adjustments (4)			
Program	Expenses (1)	Accommodation Costs (2)	Legal Services (3)	Vacation Pay	Doubtful Accounts	Total Expenses	Total Expenses
Regulated Fund:							
Financial Benefits	$ 9,024	$ 47	$ -	$ (9)	$ (71)	$ 8,992	$ 9,443
Victims Programs	3,618	19	-	4	(29)	3,612	2,397
Criminal Injuries Review Board	316	2	1	-	(2)	316	293
Administration	395	2	-	(1)	(3)	393	236
	$ 13,353	$ 70	$ 1	$ (6)	$ (105)	$ 13,313	$ 12,369

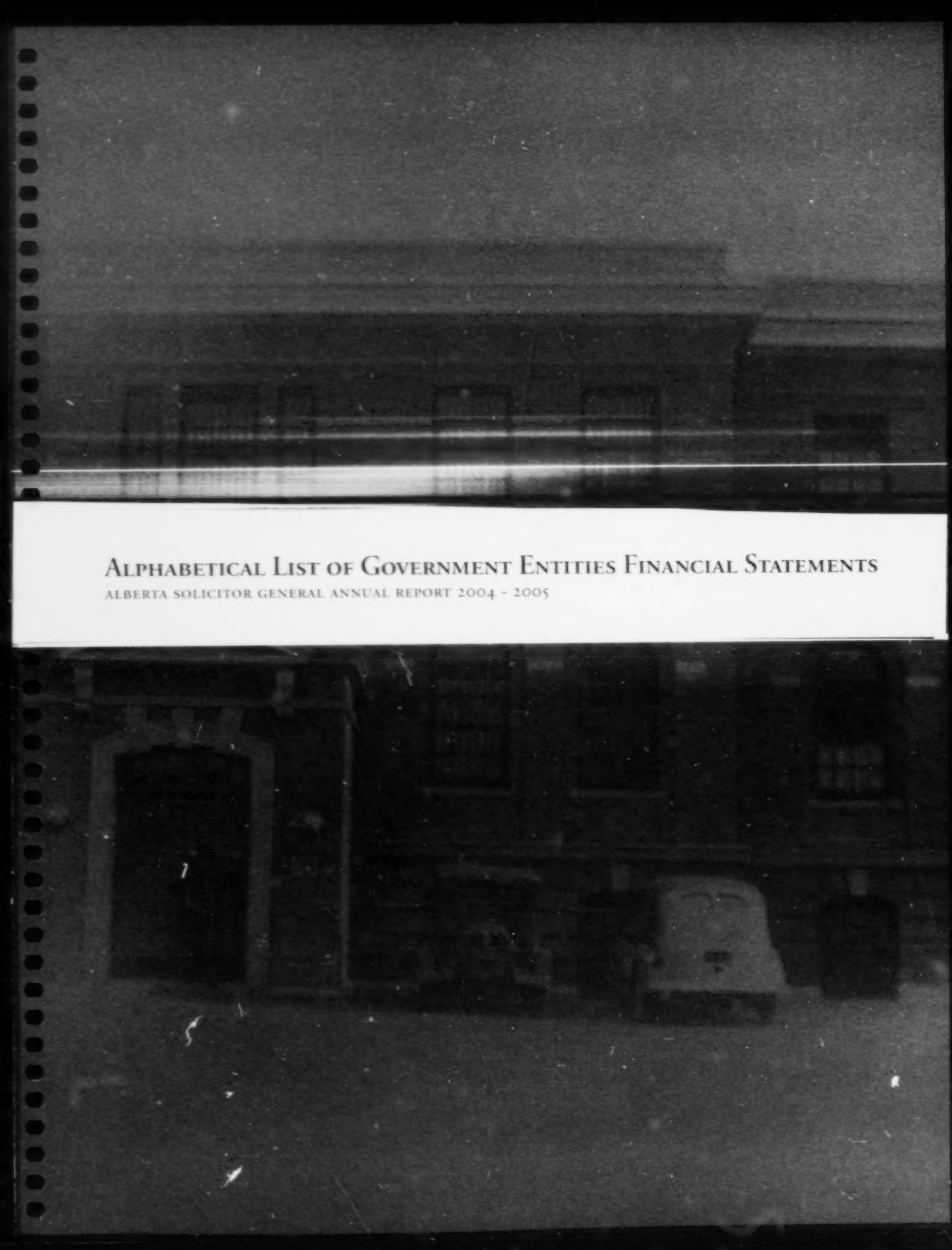
(1) Expenses-Directly Incurred as per Statement of Operations, excluding valuation adjustments. ($13,242 less ((6)+(105)) = $13,353).

(2) Costs for Accommodation (includes grants in lieu of taxes) on Schedule 2, allocated by square footage.

(3) Costs shown for Legal Services on Schedule 2, estimated costs incurred by each program.

(4) Valuation Adjustments as per Statement of Operations. Employee Benefits and Doubtful Accounts were allocated as follows:

- Vacation Pay – allocated to the program by employee.
- Doubtful Accounts Provision – estimated allocation to program.



Alphabetical List of Government Entities Financial Statements

ALBERTA SOLICITOR GENERAL ANNUAL REPORT 2004 - 2005

Alphabetical List of Government Entities Financial Statements

Entities Included in the Consolidated Government Reporting Entity

Ministry, Department, Fund or Agency	Ministry Annual Report
Agriculture Financial Services Corporation[1]	Agriculture, Food and Rural Development
Alberta Alcohol and Drug Abuse Commission	Health and Wellness
Alberta Capital Finance Authority	Finance
Alberta Energy and Utilities Board	Energy
Alberta Foundation for the Arts	Community Development
Alberta Gaming and Liquor Commission	Gaming
Alberta Government Telephones Commission	Finance
Alberta Heritage Foundation for Medical Research Endowment Fund	Finance
Alberta Heritage Savings Trust Fund	Finance
Alberta Heritage Scholarship Fund	Finance
Alberta Heritage Science and Engineering Research Endowment Fund	Finance
Alberta Historical Resources Foundation	Community Development
Alberta Insurance Council	Finance
Alberta Pensions Administration Corporation	Finance
Alberta Petroleum Marketing Commission	Energy
Alberta Research Council Inc.	Innovation and Science
Alberta Risk Management Fund	Finance
Alberta School Foundation Fund	Education
Alberta Science and Research Authority	Innovation and Science
Alberta Securities Commission	Finance
Alberta Social Housing Corporation	Seniors and Community Supports
Alberta Sport, Recreation, Parks and Wildlife Foundation	Community Development
Alberta Treasury Branches	Finance
ATB Investment Services Inc.	Finance
Child and Family Services Authorities:	Children's Services
Calgary and Area Child and Family Services Authority	
Central Alberta Child and Family Services Authority	
East Central Alberta Child and Family Services Authority	
Edmonton and Area Child and Family Services Authority	
North Central Alberta Child and Family Services Authority	
Northeast Alberta Child and Family Services Authority	
Northwest Alberta Child and Family Services Authority	
Southeast Alberta Child and Family Services Authority	
Southwest Alberta Child and Family Services Authority	
Metis Settlements Child and Family Services Authority	
Credit Union Deposit Guarantee Corporation	Finance
Crop Reinsurance Fund of Alberta[1]	Agriculture, Food and Rural Development
Department of Agriculture, Food and Rural Development	Agriculture, Food and Rural Development
Department of Children's Services	Children's Services
Department of Community Development	Community Development
Department of Education	Education
Department of Energy	Energy
Department of Finance	Finance
Department of Gaming	Gaming
Department of Health and Wellness	Health and Wellness

1 The Crop Reinsurance Fund of Alberta was merged into the Agriculture Financial Services Corporation, effective April 1, 2003.

Entities Included in the Consolidated Government Reporting Entity

Ministry, Department, Fund or Agency	Ministry Annual Report
Department of Innovation and Science	Innovation and Science
Department of Seniors and Community Supports	Seniors and Community Supports
Department of Solicitor General	Solicitor General
Department of Sustainable Resource Development	Sustainable Resource Development
Environmental Protection and Enhancement Fund	Sustainable Resource Development
Gainers Inc.	Finance
Government House Foundation	Community Development
Historic Resources Fund	Community Development
Human Rights, Citizenship and Multiculturalism Education Fund	Community Development
iCORE Inc.	Innovation and Science
Lottery Fund	Gaming
Ministry of Advanced Education[2]	Advanced Education
Ministry of Aboriginal Affairs and Northern Development[2]	Aboriginal Affairs and Northern Development
Ministry of Agriculture, Food and Rural Development	Agriculture, Food and Rural Development
Ministry of Children's Services	Children's Services
Ministry of Community Development	Community Development
Ministry of Economic Development[2]	Economic Development
Ministry of Education	Education
Ministry of Energy	Energy
Ministry of Environment[2]	Environment
Ministry of Finance	Finance
Ministry of Executive Council[2]	Executive Council
Ministry of Gaming	Gaming
Ministry of Government Services[2]	Government Services
Ministry of Health and Wellness	Health and Wellness
Ministry of Human Resources and Employment[2]	Human Resources and Employment
Ministry of Infrastructure and Transportation[2]	Infrastructure and Transportation
Ministry of Innovation and Science	Innovation and Science
Ministry of International and Intergovernmental Relations[2]	International and Intergovernmental Relations
Ministry of Justice[2]	Justice
Ministry of Municipal Affairs[2]	Municipal Affairs
Ministry of Restructuring and Government Efficiency[2]	Restructuring and Government Efficiency
Ministry of Seniors and Community Supports	Seniors and Community Supports
Ministry of Solicitor General and Public Security	Solicitor General
Ministry of Sustainable Resource Development	Sustainable Resource Development
N.A. Properties (1994) Ltd.	Finance
Natural Resources Conservation Board	Sustainable Resource Development
Persons with Developmental Disabilities Community Boards:	Seniors and Community Supports
Calgary Region Community Board	
Central Region Community Board	
Edmonton Region Community Board	
Northeast Region Community Board	
Northwest Region Community Board	
South Region Community Board	
Persons with Developmental Disabilities Provincial Board	Seniors and Community Supports
Provincial Judges and Masters in Chambers Reserve Fund	Finance
Supplementary Retirement Plan Reserve Fund	Finance
Victims of Crime Fund	Solicitor General
Wild Rose Foundation	Community Development

2 Ministry includes only the departments so separate department financial statements are not necessary.

Entities not Included in the Consolidated Government Reporting Entity

Fund or Agency	Ministry Annual Report
Alberta Cancer Board	Health and Wellness
Alberta Foundation for Health Research	Innovation and Science
Alberta Heritage Foundation for Medical Research	Innovation and Science
Alberta Heritage Foundation for Science and Engineering Research	Innovation and Science
Alberta Mental Health Board	Health and Wellness
Alberta Teachers' Retirement Fund Board	Education
Improvement Districts' Trust Account	Municipal Affairs
Local Authorities Pension Plan	Finance
Long-Term Disability Income Continuance Plan - Bargaining Unit	Human Resources and Employment
Long-Term Disability Income Continuance Plan - Management, Opted Out and Excluded	Human Resources and Employment
Management Employees Pension Plan	Finance
Provincial Judges and Masters in Chambers Pension Plan	Finance
Provincial Judges and Masters in Chambers (Unregistered) Pension Plan	Finance
Public Post Secondary Institutions	Advanced Education
Public Service Management (Closed Membership) Pension Plan	Finance
Public Service Pension Plan	Finance
Regional Health Authorities	Health and Wellness
School Boards	Education
Special Areas Trust Account	Municipal Affairs
Special Forces Pension Plan	Finance
Supplementary Retirement Plan for Public Service Managers	Finance
Workers' Compensation Board	Human Resources and Employment

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